

CLIENT

N C Real Estate
Attention of Nicola Endacott
Head of Operations &
Senior Surveyor NC Real Estate Chartered Surveyors

Registered in England | Company No: 9618274



VALUATION

of

18-19 George Street, Stroud
GL5 3DP.

Date of Report
18/07/2023

WSC REFERENCE – NCRE003.1



1 INSTRUCTION

1.1 Further to an email dated 19 June 2023, we have been instructed by N C Real Estate to provide the following valuation in relation to 18-19 George Street:

- Market Value of the Freehold interest in the above property as at the date of this report and subject to the existing leases and based on its existing use as offices.

2 INSPECTION DETAILS

2.1 The property was inspected on the 29/06/2023.

3 BASIS OF VALUATION

- 3.1** Market value as defined by the Royal Institution of Chartered Surveyors in their Global standards Appraisal and Valuation Manual (Red book) as being *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 have each acted knowledgeably, prudently and without compunction.*
- 3.2** In arriving at our valuations, we have relied upon our own professional knowledge plus verbal information provided from local agents, sales and rental particulars as well as information obtained from various sources on the internet.

4 ASSUMPTIONS AND CAVEATS

- 4.1** We can confirm that to the best of our knowledge no conflict of interest arises as a result of our acceptance of these instructions.
- 4.2** We have assumed that good title can be shown, and that the properties are not subject to any unusual or especially onerous restrictions, encumbrances, or outgoing.
- 4.3** We have assumed that the properties and their values are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the properties use, nor its intended uses, is or will be unlawful.
- 4.4** Our valuation is made subject to certain assumptions in respect of title and planning matters which are subject to written verification. If these assumptions are incorrect, then our valuation may require amendment.
- 4.5** That inspection of those parts that have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation(s) materially.
- 4.6** Unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property.
- 4.7** That the tenure details outlined within paragraph 9.0 are correct.

5 LOCATION/DESCRIPTION

- 5.1** The property is in the centre of Stroud with dual frontage both onto George Street and Russell Street. This would be considered a good centre of town location.
- 5.2** Stroud is a market town in Gloucestershire with an approximate population of 30,000.
- 5.3** There is a wide range of amenities from small independent shops to some of the larger retailers including the Five Valleys shopping centre.
- 5.4** The subject premises are a former Nat West Bank with a traditional bank frontage set over 4 floors. (Basement, ground floor on two levels, First floor and second floor)
- 5.5** As shown from the plans below they have a somewhat irregular layout in part due to the fact this would have originally constituted two separate buildings one facing Russell

Street and the other George Street.

6 CONSTRUCTION

- 6.1** The premises possibly date back to Victorian times and are of traditional brick construction. They have a stone bank façade under a multi pitched slate roof.
- 6.2** There have been some additions over the years including a single storey element to the central courtyard under a flat felt roof.
- 6.3** The ground floor is of solid construction with upper floors likely timber with a timber board covering.
- 6.4** Internal walls are a mixture of solid and non-load bearing including more recent light weight stud partitioning.
- 6.5** Windows appear to be mainly single glazed timber sash.
- 6.6** Ceilings are mainly suspended with recessed lighting.
- 6.7** Gas to radiator central heating with boiler to basement.
- 6.8** Part air conditioned.
- 6.9** All services I would assume are connected.

7 ACCOMMODATION

- 7.1** Accommodation found over four floors as shown in the layout plans below.
- 7.2** Office space to ground and first floor with second floor previously used as residential accommodation or storage.
- 7.3**

Basement	40.6sqm (Storage-NNL)
G/F	179.2 sqm (Office)
F/F	144.6 sqm (Office)
2/F	75.3 sqm (Storage)
Total	439.7 sqm

Rateable value £24,000 based on a main space rate of £77.50 sqm.

8 CONDITION

Our instructions did not extend to the carrying out a building survey and no account has been taken within our valuation of any defects that such a survey might reveal. We have not inspected those parts of the property covered, unexposed or inaccessible and we have not undertaken inspections of roof voids or sub-floor areas, nor have we tested services.

- 8.1** The building overall appears to be in fair condition, in keeping with a property of this type and age.
- 8.2** There was some evidence of water egress to the basement, but I understand this will be remedied by the existing owners.
- 8.3** In terms of fit out as offices, it would be considered Category C as it is dated, there are basic toilet facilities it has a fragmented layout and no parking.
- 8.4** It will ideally require some refurbishment and redecoration.

9 TENURE AND TENANCIES

- 9.1** The Basement and ground floor are held on a 5-year lease effective 22/02/2019 at a

passing rent of £20,500 subject to review dating back to 22/02/2019. The lease is held outside of part II of the 54 Act.

- 9.2** The first floor and second floor are held on a 5-year lease effective 22/02/2019 at a passing rent of £11,000 subject to review dating back to 22/02/2019. The lease is held outside of the 1954 Act.

10 TOWN PLANNING & DEVELOPMENT

- 10.1** We have assumed for the purpose of this valuation report that the subject premises have established use rights under the Town & Country Planning (Use Classes) Order 1987 as amended in 2020 to Use class E – Commercial, Business and service use.

11 OFFICE RENTAL/SALES EVIDENCE

Comp 1. Bank House. 2nd Floor Office, Stroud, GL5 3JG. Grade II listed building On market 3/07/23 417 sq.ft (38.8 sqm), Asking £6,250 per annum. (£14.95 sq.ft./£160/sqm). Rateable value £1,825. Cat C with parking. Outskirts of town. Through Kurt Wyman. Within walking distance of town centre and with parking. *Subject in its present condition would let for less than this. Once refurbished probably still a bit less than this.*

Comp 2. Fern House, Daniels Industrial estate. GL5 3TJ. Cat B/C office suite. 1,525 sq.ft (105 sqm) Open plan F/F offices with parking . Excellent natural light. Recently refurbished. Asking £15,960 p.a (£10.47 sq.ft/£110 sqm). Through Kurt Wyman. *Good quality but on an industrial estate. Subject in its present condition would rent for less than this.*

Comp 3. New Mill Offices. Old Mill conversion to high spec. Cat B offices. 498 sqm on two floors. Cat B. With parking. Asking £825,000 RV£29,750. Estimated rental £50,000. Estimated return 6.0% (Kurt Wyman)

Comp 4. 10B Salman Springs Trading Estate. Stroud. GL6 6NU. Old industrial building on outskirts of town. Basic specification. 1,472 sq.ft (136 sqm) Cat C. Asking £8,500 (£5.77 sq.ft/£60.00 sqm) Through Kurt Wyman. *Subject is in a central location will rent for more than this.*

Comp 5. Brunel Mall, 1 London Road, Stroud. GL5 2BP. Cat C. Former cinema. Unit 9 191.93 sqm asking £12,500. (£65/sqm) plus service charge of £7,771. (£106 sqm) Central location but I feel once refurbished subject will let for more than this.

Comp 6. 1 Salmon Springs Trading estate. Stroud. GL6 6NU. Victorian 2 storey property outskirts of Stroud. 1,738 sq.ft (161 sqm) Let to Lark Cooper Ltd 01/01/2023 for £14,750 per annum. £8.49 sq.ft.(£91/sqm) Subject is in a better location. Once refurbished will let for more than this.

12 VALUATION COMMENTARY

Office Market.

- 12.1** There is at present a limited amount of office space available in Stroud. This has helped soften the impact of the general trend of working from home which has depressed the office market as a whole. In addition, there is little by way of serviced offices which the subject premises could potentially be adapted to.
- 12.2** The premises are in a very central location with good footfall and close to the main railway station. They are however dated with a fragmented layout and requiring modernisation. There is also no parking which could potentially impact on demand. In my view in their present state, they would fall into Category C offices.
- 12.3** In discussion with local agents and from the evidence above, once upgraded they could potentially achieve a rent in the region of £11 sq.ft /£120 sqm if let as a whole on FRI terms on a standard commercial lease for at least 3 to 5 years.

- 12.4** I would also assume the standard 3 month rent free period for fit out.
- 12.5** The premises are not lifted so the 2nd floor space has in my valuation been assessed as storage in line with its previous use. Adjusting for this and attaching a nominal value to the basement (Space is wet) we arrive at an area in terms of main space of 380 sqm or thereabouts.
- 12.6** At £120/sqm this translates into a market rent once upgraded of £45,000.
- 12.7** In their present state we are possibly looking at £7 to £8 sq.ft (£75 to £85 a sqm) which translates into a market rent of between £28,500 to £32,000. This is supported by the passing rent of £31,000 agreed I understand in 2019 or thereabouts.
- 12.8** In terms of capital value, the bank rate has been rising which will have pushed up investment rates. EGI analysis suggests a net initial yield of 6.8% on office investments in the Stroud/ Gloucester area.
- 12.9** I would adopt between 6% to 7% as an all risk return here as the property although needing refurbishment is in a good location with potential growth of income.
- 12.10** This would suggest a capital value, if we take the market rent of £31,000, of between £450,000 to £515,000.

13 VALUATION

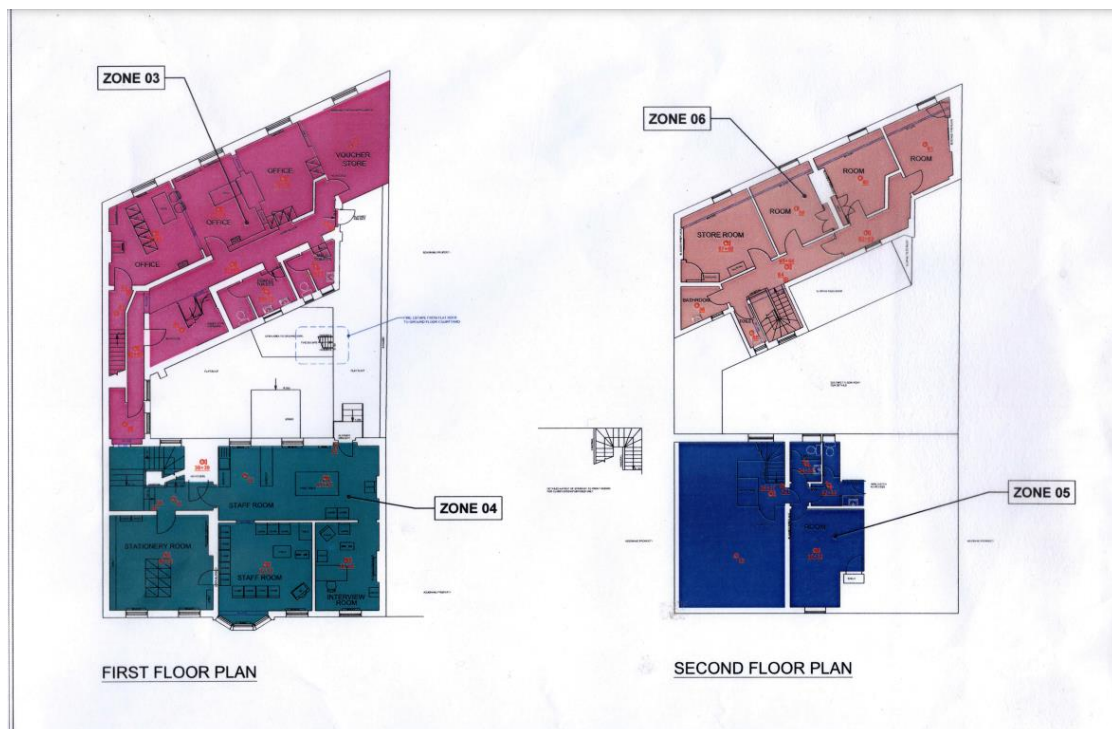
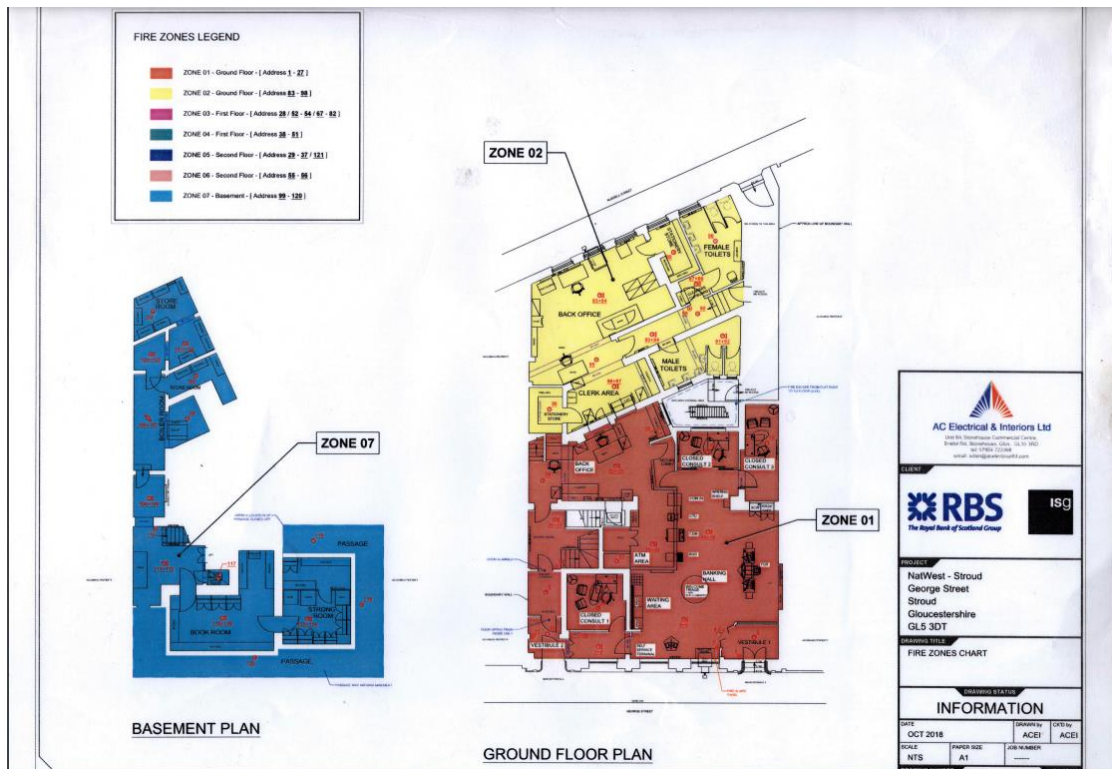
In relation to the value of the freehold interest in the above property, subject to the existing leases and in its existing condition, I would consider its market value to be **£500,000.00 (Five hundred thousand pounds)**.

I would consider the market rent in its present condition to be fairly reflected in the sum of **£31,000 (Thirty-one thousand pounds)**

I would consider its market rent once refurbished to a reasonable standard to include redecoration and upgrading of toilets and other facilities, to be in the region of **£45,000 (Forty five thousand pounds)**



Signature
Christopher Malkin Lambert BSc MRICS
RICS registered valuer



Rateable value

Description	Area m ² /unit	£ per m ² /unit	Value
Ground floor retail zone a	49.4	£77.50	£3,829
Ground floor office	14	£77.50	£1,085
Ground floor office	3.7	£77.50	£287
Ground floor office	49.3	£77.50	£3,821
Ground floor internal storage	4.8	£54.25	£260
Ground floor kitchen	5.4	£77.50	£419
First floor internal storage	3.38	£54.25	£183
First floor internal storage	30.37	£54.25	£1,648
First floor office	14.26	£77.50	£1,105
First floor mess/staff room	21.37	£77.50	£1,656
Lower ground floor unclassified area	40.6	£58.13	£2,360
First floor office	48.58	£77.50	£3,765
First floor internal storage	24.5	£54.25	£1,329
Ground floor retail zone b	51.6	£38.75	£2,000
Ground floor retail zone c	15.1	£19.38	£293
Total	376.36		£24,040 RV.



Figure 8. Rear elevation



Figure 7. Street view



Figure 6. Front retail area.



Figure 5. Front retail area.



Figure 4. Clerk area



Figure 3. Fire escape.



Figure 13. Inner Courtyard



Figure 12. G/F different floor level.

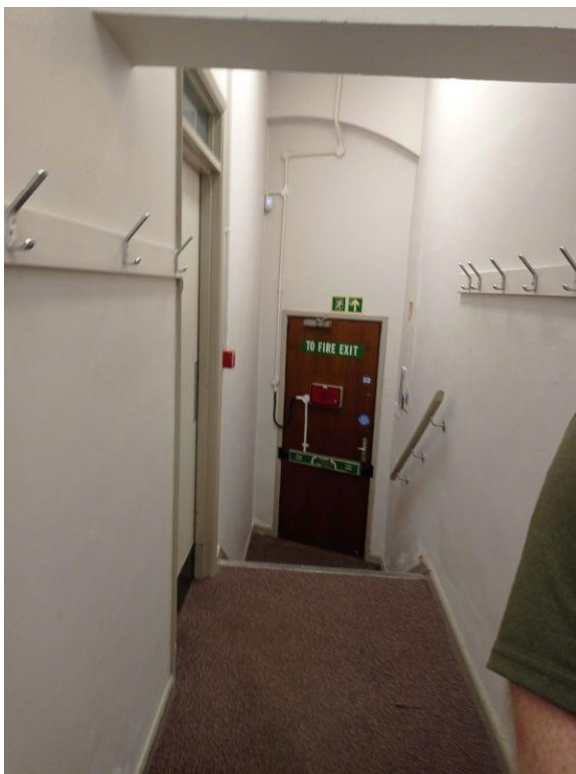


Figure 11. Fire escape



Figure 10. Toilet facilities



Figure 9. Stairway to 2F

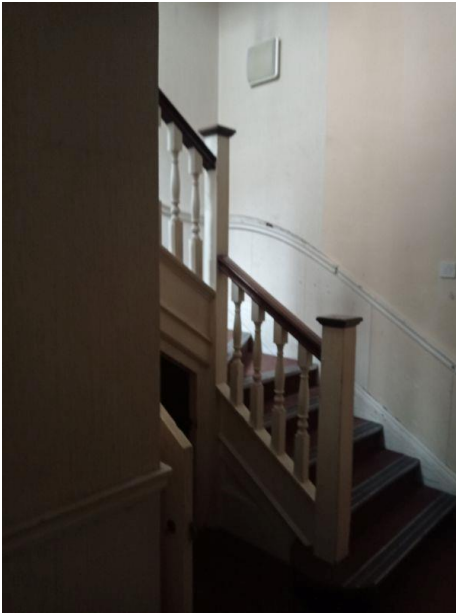


Figure 16. Stairway



Figure 15. F/F Office



Figure 18. Office/Kitchen area F/F



Figure 14. Flat roof extension.



Figure 17. 2nd floor front.



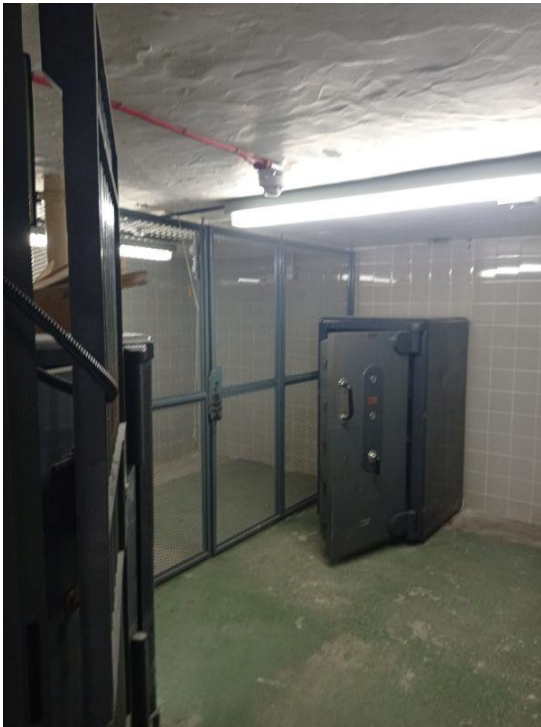


Figure 19. Basement

