

VALUATION REPORT

1. ADDRESS OF PROPERTIES

34 High Street
Ewell
Surrey
KT17 1RW

2. CLIENT

Prima Services Limited Pension Plan
Hill House Cottage
Misbrooksgreen Road
Beare Green
Dorking
Surrey
RH5 4QQ

3. TYPE OF VALUATION

We are instructed to prepare a Valuation of the above property for financial planning purposes in accordance with our Terms of Engagement letter, a copy of which is included as Appendix A. The basis of the valuation is Market Value

4. DATE AND EXTENT OF INSPECTION

The property was inspected on 15th June 2018 by the Valuer. The inspection was of both the interior and the exterior, the exterior inspection being from street level to the front and from the first floor level at the rear.

5. WEATHER

The weather at the time was fine and dry.

6. TENURE

The property is held Freehold by the Client within a pension scheme and is subject to two commercial occupational leases which are summarised in Appendix D.

7. DESCRIPTION

The property comprises a three storey period building, formerly a bank that has been extended at the ground floor rear to cover the entire site. It sits on a level site.

8. LOCATION

The property is situated on the western side of the High Street in the heart of Ewell Village. The village has seen significant improvements in recent years. These include the construction of a Sainsbury's local supermarket and the introduction of Costa Coffee in the former Barclays Bank. The Village offers a number of good quality restaurants in addition to a wide range of retail outlets, both national and local retailers.

Ewell is served by two mainline stations, Ewell East and Ewell West providing a good service into London. There are pay and display car parks off Cheam Road and some free time limited on street parking.

The A24 Ewell bypass from Epsom towards London is close to the village and the A3 at Tolworth gives access to the M25 at Junction10.

9. ACCOMMODATION

The property is Grade II Listed and provides grounds floor offices behind a former bank façade and the upper floors are separately accessed via a stairway from the street, located on the left of the façade. The property is arranged as follows:

Ground Floor

Front Room	51.10 sq m	550.05 sq ft
Middle Room	25.74 sq m	277.06 sq ft
Rear Room	26.06 sq m	280.51 sq ft
Former Bank Vault	16.15 sq m	173.84 sq ft
Total	119.05 sq m	1,281.46 sq ft

First Floor

Offices	41.86 sq m	450.58 sq ft
Store	4.27 sq m	45.96 sq ft
Kitchen	5.41 sq m	58.23 sq ft

Second Floor

Offices (headroom over 5') (1.5m)	27.07 sq m	291.38 sq ft
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There is no on-site parking

10. CONSTRUCTION

The front of the property has a pitched tiled roof. The second floor offices are set within the roof structure. Externally the first floor frontage has been rendered and the ground floor bank varnished wood frontage remains.

To the rear there is a long and relatively narrow single storey extension with a flat roof. The ground floor rear has wooden cladding and the pitched roof to the rear appears to have been re-covered with a slate substitute.

The staircase from the first to the second floor is narrow and has restricted height towards the top.

Internally the walls are plastered and either painted or papered. Generally the floors of the office areas are carpeted.

11. CONDITION

The property is generally in fair condition for its age and clearly benefits from regular maintenance. Internally the property is generally in good decorative order but somewhat dated. The floors on the first and second floors slope and dip in a number of places which is consistent with a property of this age where former residential accommodation has been adapted for office use.

12. SERVICES

The property benefits from all mains services. We have not carried out any tests on these and have assumed them to be both serviceable and compliant. We note that the property has gas fired central heating.

13. ROADS AND RIGHTS-OF-WAY

The property fronts High Street Ewell which is an adopted highway. We are not aware of any rights of way or other rights that would adversely affect the property.

14. PLANNING

We have noted from Epsom & Ewell Borough Council that there are a number of planning consents relating to this property. Consent for change of use from A2 to B1 was granted in respect of the ground floor on 31 December 1998, in conjunction with the use of the first and second floor offices. The building was Listed Grade II on 22 March 1974. It is situated within Ewell Village Conservation area and development rights have been revoked. Consent was obtained in 2008 for a change of use of the Ground floor to A3 with conversion to residential units on the upper floors but this was not taken up and has lapsed.

The property has been used for a number of years in the current arrangement and we have assumed that the current use can continue.

15. RATEABLE VALUE

From the Valuation Office website we note the property is assessed as:

Ground Floor Offices:	Rateable Value	£15,250.00
First and Second Floors:	Rateable Value	£10,000.00

16. GENERAL

- (a) Conflict of interest: We confirm that we have no conflict of interest in respect of this valuation.
- (b) Contamination: There is no evidence to suggest that the land is likely to be included on any register of land subject to contamination etc, nor is there contaminated land in the vicinity as far as we are aware.
- (c) Marketability: We consider that with proper marketing this property would attract a buyer either to hold in a pension scheme for income or with a view to converting to residential use on the upper floors.
- (d) Current and future market conditions: The market for investment properties in the smaller lot sizes continues to be strong, partly due to the low interest rates available on other investments.
- (e) Permanent fixtures of a specialist nature: There are no permanent fixtures of a specialist nature affecting our valuation.
- (f) Alternative uses: It is not considered that there is any alternative use for this property whilst it is retained within the pension fund. Converting the upper floors to residential use may otherwise be possible but has not been appraised as part of this valuation.

17. VALUATION CONSIDERATIONS

In preparing a Valuation of this property we have considered the passing rentals and the current rental values obtained in Ewell Village. We have taken into account that the first floor lease, which is excluded from the Landlord and Tenant Act 1954 Part II has expired and the Landlord risks the Tenant acquiring protection under the Landlord and

Tenant Act or becoming a periodic Tenant. The present Tenant has not yet entered into negotiations with the Landlord for a new Lease and there is a risk of a rental void. The Ground floor lease has a further seven years unexpired however the Tenant has a break option on 1st August 2020. At our inspection it appeared that the premises were underutilised and it is considered that there is a risk that this break could be operated.

We have also taken into account that both leases have capped service charges which could leave the Landlord exposed to costs should major expenditure arise which is possible on a Listed building of this type.

18. VALUATION

We are of the opinion that the Market Value of the Freehold interest in the property as at 6 July 2018 and subject to the occupational leases described is **£320,000 (THREE HUNDRED & TWENTY THOUSAND POUNDS)**

We consider that values are likely to remain static in the foreseeable future.

The Valuation is based on the assumptions contained within it and the Notes to the Valuation in Appendix E. Should any of these be found to be incorrect then the Valuation may need to be reviewed. We consider that values are likely to remain static in the foreseeable future.

REPORT PREPARED BY:



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(REGISTERED VALUER)

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