

VALUATION REPORT

OF

LAND AT NETTLEBUSH, FINEDON ROAD, WELLINGBOROUGH
NORTHAMPTONSHIRE NN8 4NY

FOR

NIGEL ROBERTS,

OF

13 THRAPSTON ROAD, FINEDON,
NORTHAMPTONSHIRE NN9 5DG

**ACM/ CM/
14 June 201**

Henry H Bletsoe & Son LLP
Oakleigh House
Thrapston
Kettering
Northamptonshire
NN14 4LJ

- 1.1 Client: N Roberts Esq 13 Thrapston Road, Finedon, Northants NN9 5DG
- 1.2 Purpose of the Valuation: Valuation of freehold property for Transfer to a Pension Fund.
- 1.3 Property to be valued: Land at Nettlebush, Finedon Road, Wellingborough NN8 4NY shown for identification purposes edged in red on the **attached** plan.
- 1.4 Type of Property: Commercial Storage land.
- 1.5 Interest to be Valued: Freehold interest subject to the current occupancy.
- 1.6 Basis of Value: Market Value which is defined 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 arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”
A fuller explanation of Market Value is included in the attached **Appendix 1**.
- 1.7 Valuation Date: Date of inspection being 25 May 2018
- 1.8 Valuer: The valuation is undertaken by Andrew Clive Middleditch BSc MRICS who is a RICS Registered Valuer with knowledge of the current commercial property market and who also has knowledge of local planning policies. The Valuer is in a position to provide an objective and unbiased valuation and has the knowledge, skill and understanding to undertake the valuation competently.
- 1.9 Inspection: The property was inspected by the Valuer on 25 May 2018 in the presence of the client.
- 1.10 Previous Involvement: I confirm that we are currently selling a property for the client, but in our last financial year and we anticipate in the current financial year, the total fees payable, if any, by the client compared to the total fee income of the firm was less than 5%.
It is not considered there is any conflict of interest which prevents us from undertaking this valuation.
- 1.11 Assumptions: In carrying out the valuation we made a number of assumptions, which are listed within **Appendix 2**. If any of the assumptions which have been made are incorrect, this may have a material effect on the value reported and it should be brought to our attention. In accordance with your instructions, we have not carried out any soil tests nor made any other investigation into the nature or condition of the soil for the existence or likelihood of any contamination, pollution or seepage, either on the property or on neighbouring or adjacent property. A formal environmental assessment has not been undertaken. The property is valued on the assumption there is no contamination.
- 1.12 Extent of Investigations: We have not undertaken a structural survey of the building. It is assumed the building is in a reasonable condition other than any defects specifically noted within our report.
- 1.13 Information: In undertaking the valuation we have relied upon information obtained from the Website for the Local Planning Authority in respect of planning matters, current Development Plans prepared by the Local Authority, and any information provided to us by the client during the course of our instructions. It is assumed that the information provided to us is correct at the date of valuation, and that there are no matters undisclosed which could materially affect our comments and opinion of value.
- 1.14 Valuation Currency: The valuation is expressed in pounds sterling.

- 1.15 Valuation Approach: In valuing the property I have relied on comparable evidence obtained from our database and from Rightmove.
- 1.16 Exclusion of Publication: Neither the whole, nor any part of the report or reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear. In accordance with our standard practice, our valuation report is confidential to the Client named above and restricted to the purpose to which it refers. It may be disclosed to professional advisors assisting in respect of those purposes, however it should not be disclosed to any other parties without the express consent of this firm. No responsibility is accepted to any third party for the whole or any part of its contents.
- 1.17 Valuation Standards: The valuation is prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017 (the "RICS Red Book"), which incorporate the International Valuation Standards (IVS), and (where applicable) the relevant RICS national supplement.
- 1.18 RICS Regulations: Henry H Bletsoe & Son LLP is a firm registered for regulation by the RICS. Compliance with the RICS Valuation Standards may be subject to monitoring under the Institution's Conduct and Disciplinary Regulations.

2. LAND AT NETTLEBUSH, FINEDON ROAD, WELLINGBOROUGH

- 2.1 The property is more particularly identified edged in red on the Plan attached at **Appendix 3**. The land which was formerly an allotment plot, forms part of the Nettlebush Estate, which lies to the south of Finedon Road (A5128) towards the eastern fringes of the Town. Nettlebush is a rough but largely hard surfaced access track, which provides access to all of the various plots which form part of the Nettlebush Estate. A number of the plots are still in use as allotments, although various plots surrounding the subject property, and in commercial use. The plot of land is broadly rectangular in shape, and has a width of approximately 12.5metres, and a total depth of approximately 60.5metres. The total site area is 763m² (0.19 acres) as measured off the Promap digital mapping system. Accessed from Nettlebush, there is an area of hardstanding to the front of the site, which is used for parking. This provides access to the site and the principal building. The site itself has secure fencing around its perimeter and has mainly concrete surfacing. The site slopes slightly upwards from front to back. The principal building on the frontage, is of blockwork construction, under a monopitch sheeted roof with skylights. There is a roller shutter door to the front, with a personnel door to the side. Internally, the building has an inspection pit, and stairs up to a mezzanine floor which provides part first floor storage. The building is used as a workshop/store.
- 2.2. The site is connected to 3Phase Electricity and also has a water supply. There is an onsite septic tank/treatment facility, but this is not currently connected. The site has security lighting around the perimeter. To the rear of the site, is an open store of basic construction supported by two containers. The main workshop has a ground floor area of approximately 51.18 m² with the mezzanine floor measuring approximately 18 m². The open store has a floor area of approximately 45 m².

Tenure and Possession

- 2.3 The property is currently occupied by Gladstone Construction, who pay a rent of £700 per month, as well as paying for services in use. Gladstone Construction have been in occupation for approximately 4 years, under an informal arrangement. Although there appears to be no written tenancy agreement, it is likely that Gladstone Construction may have acquired protected rights as a tenant, in light of the period which they have been in occupation. It is therefore assumed that the current

arrangement could be made into a formal tenancy, and that the current rent being paid is a fair approximation of the Open Market Rent achievable.

Easements, Restrictions and Rights of Way

- 2.4 We understand that the property is not affected by any rights of way, easements, pipelines or any other restrictions. We assume however that the property does have the benefit of access rights over Nettlebush which is a private access road. We also assume that there are rights for the existing services to the property

Covenant and Title Matters

- 2.5 We have not seen the title to the property, and are not aware of any onerous covenants, conditions or other restrictions. For the purpose of this report, we assume that none exist.

2.6 Services

As stated above, the property is connected to mains electricity and water, with an onsite collection facility for foul drainage. We have not tested any of the services, but assume that they are all in working condition and suitable for the current use of the property.

3. TOWN & COUNTRY PLANNING

- 3.1 The property is located within the administrative Borough of Wellingborough. It is located within an area which has been identified in Planning Policy Documents for redevelopment for some while. In the current Local Plan, which has recently been examined and is due to be adopted shortly, the site forms part of an allocation of land to the east of Eastfield Road, for residential development. The relevant policy requires comprehensive Masterplanning, for the site to be brought forward. At present it is believed that there is no mechanism to bring forward the comprehensive redevelopment of the site, and the multiple landownership and diverse existing land uses, make development of the area complicated.

- 3.2. It is assumed that the site was originally allotment, but is currently in use for commercial storage. According to the Council's online planning database, permission was first granted for the use of the site as a builders' yard in 1962. In 1983 planning permission was granted for the storage building, workshop and garage associated with the use of the site as a builders' yard. In 1988 planning permission was sought for the change of use for the site from a builders' yard to a vehicle repair workshop, but this was refused. It is understood that the site is currently being used by a construction company, and it is therefore assumed that the current use of the site is lawful, and that there are no planning issues which would affect the use of the site for this purpose.

- 3.3 It appears that the site has formed part of a planning application for the comprehensive redevelopment of land to the east of Eastfield Road, but as indicated above, there is no known mechanism for the delivery of the land which forms part of the Nettlebush estate. The principle of redevelopment appears to be accepted, but the mechanism for delivery is unknown. This uncertainty and the complex nature of any development must be factored into any valuation. The site is not within a Conservation Area, does not contain Listed Buildings, and is not thought to include trees subject to Tree Preservation Orders.

4. CONDITION

- 4.1 It was noted during our inspection that whilst the site is secure and has a good level and hard surfaced area for outside storage, the existing workshop building is of basic

construction, and it was noted that the roof is in need of repair, as is not entirely watertight at present. The nature and condition of the site and buildings, will impact upon the nature of any practical uses, and the type of tenant that could be attracted to rent the property.

5. RATING

- 5.1 The property is currently assessed for non-domestic rates with a Rateable Value of £3450.

6. VALUATION APPROACH

- 6.1 In valuing the property, we have taken account of the existing use, and the current situation with regard to occupancy, which is generating an annual rental return of £8,400. It is assumed that this current arrangement could be formalised, and that the property could therefore be valued as a commercial property investment. It should however be noted that the nature of the property, its condition and location, limit the nature and number of potential tenants, and this would have to be reflected in any investment appraisal.
- 6.2 Alongside the investment approach to valuation, one must also consider the potential for redevelopment. The principle for redevelopment for residential purposes seems to be accepted by the local authority, although this would have to be in a comprehensive manner, and the mechanism for delivering a comprehensive development is currently unknown. There is considerable complexity surrounding the comprehensive development of this land, bearing in mind the large number of landowners involved, and the varying land uses which have been established. In some instances, existing use values may outweigh development values and this will impact upon the land coming forward. We have reflected this uncertainty and complexity within our consideration of the development potential of the site.

7. MARKET CONDITIONS AND VALUATION COMMENTARY

- 7.1 The property is currently let, and we have no reason to suspect that it would not be possible to find an alternative tenant for the site, should the current tenant vacate. The property is perfectly serviceable and useful for its purpose as a builders' storage yard with workshop. It is conveniently located within Wellingborough, albeit that the access is somewhat restricted. We have no reason to suspect that the current rent being paid is anything other than a fair Open Market Rent for the property.
- 7.2 We have considered the development potential of the site, and for the reasons outlined above, we have made appropriate discounts for the relative uncertainty and complexity of any redevelopment scheme. We have taken into account evidence of residential land values, and made a discount to reflect the issues identified. A full Development Appraisal of the site cannot be undertaken without knowing significantly more detail about ground conditions, infrastructure costs and planning obligations. We have therefore made a general assessment of development value assuming standard service costs and normal planning obligations. At present, we conclude that the development value of the site is not vastly dissimilar from its existing use value, and therefore there is little incentive at the present time to pursue development ahead of maintaining the site in its current use.

8. SUMMARY AND VALUATION

- 8.1 I am of the opinion that the Market Value of the freehold interest of the land at Nettlebush, Finedon Road, Wellingborough shown for identification purposes edged

in red on the attached plan, subject to the existing occupancy as described above for transfer purposes into a Pension Fund as at 25 May 2018 is £105,000 (One Hundred and Five Thousand Pounds)

9. Disclaimer

- 9.1 Neither the whole, or any part of the report or reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear. In accordance with our standard practice, our valuation report is confidential to you and restricted to the purpose to which it refers. It may be disclosed to professional advisors assisting in respect of those purposes, however it should not be disclosed to any other parties without the express consent of this firm. No responsibility is accepted to any third party for the whole or any part of its contents.

SIGNED.....

ANDREW CLIVE MIDDLEDITCH BSc MRICS

RICS Registered Valuer

For and on behalf of Henry H. Bletsoe & Son LLP

Dated19th June 2018.....

Definition of Market Value

Market Value is defined 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 arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Conceptual Framework, as published in International Valuation Standards

The definition of Market Value is applied in accordance with the following conceptual framework:

term property is used because the focus of these Standards is the valuation of property. Because these Standards encompass financial reporting, the term Asset may be substituted for general application of the definition. Each element of the definition has its own conceptual framework.

‘**The estimated amount ...**’ refers to a price expressed in terms of money payable for the asset in an arm’s length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*.

‘**... an asset should exchange ...**’ refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all other elements of the *market value* definition at the *valuation date*.

‘**... on the date of valuation ...**’ requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date.

‘**... between a willing buyer ...**’ refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute ‘the market’.

‘**... and a willing seller ...**’ is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

‘**... in an arm’s length transaction ...**’ is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently.

‘... after proper marketing ...’ means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and the market conditions. The only criterion is that there must be sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*.

‘... wherein the parties had each acted knowledgeably, prudently ...’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

‘... and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

The market value of an asset will reflect its highest and best use. The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

The highest and best use of an asset valued on a stand-alone basis may be different from its highest and best use as part of a group, when its contribution to the overall value of the group must be considered.

The determination of the highest and best use involves consideration of the following:

- a) To establish whether a use is possible, regard will be had to what would be considered reasonable by the market participants’
- b) To reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, eg zoning designations, need to be taken into account,
- c) The requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.

Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

ASSUMPTIONS RELATIVE TO THE BASIS OF THE VALUATION

- (a) The measurement of areas is based on the Rural Land Register maps, or Ordnance Survey maps as provided.
- (b) All plans provided with the valuation are for illustrative purposes only and any measurements, areas and boundaries quoted will be approximate.
- (c) We rely upon the information provided. No formal searches of planning registers will be made and no responsibility can be accepted for any mis-statement or omission in information supplied to us at the time of enquiry.
- (d) Unless specifically advised to the contrary, the property is assumed to meet all requirements in respect of planning, building regulations, environmental, employment, fire and health and safety matters, and that any Fire Certificate in respect of the property is neither dependent nor conditional upon consents or licences from adjoining property owners.
- (e) The property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual pre-contract enquiries or by any statutory notice and that in each case neither the property nor its condition, use or intended use, is or will be unlawful.
- (f) No potentially deleterious or hazardous materials shall have been used in the construction of the property or since been incorporated. Therefore the property is not reported as being free from risk in this respect. It is assumed that the application of all materials used in the construction of the property are not faulty and, for the purpose of the valuation, it is assumed that further investigation would not disclose the present of any defects or faults in the application of the materials.
- (g) There are no harmful substances on or near the property, which would adversely affect its value. We have not undertaken any specialist investigation to establish if the property or neighbouring property has been, or has the potential to be, polluted or contaminated or affected by other environmental matters such as mining.
- (h) Neither a building survey nor an inspection of woodwork or other parts of the property, which in accordance with your instructions have not been inspected, would either reveal material defects or cause us to alter the valuation materially. No opinion can be expressed or advice given on the condition of the properties and our Report must not be taken as making any implied representation or statement about such parts. In accordance with your instructions no building or structural survey of the property was undertaken.
- (i) Site investigations would neither reveal any adverse ground or land drainage conditions nor cause us to alter the valuation materially.
- (j) There are no abnormal infrastructure costs that would cause us to alter the valuation materially.
- (k) The services are in working order and meet all statutory bye-laws or other requirements.
- (l) The property is not subject to any unusual or especially onerous restrictions encumbrances or outgoings and that good title can be shown. The Title Deeds or Land Registry Certificate were not inspected and we have not made any enquiries that would normally be undertaken by a solicitor or legally trained professional. We will not accept any responsibility or liability for the true interpretation of your legal position or that of other parties. Further, in the case of leasehold property where we

are not supplied with a copy of the lease, we shall assume that it does not contain any unusually onerous covenants and that there have been no breaches of covenants or any leases affecting the property which could give rise to actions for forfeiture or damage.

- (m) No allowance is made for any outstanding monies which may be due in respect of mortgages, loans or other charges upon the property.
- (n) Our valuation does not make an allowance for items of plant and machinery which are on hire purchase or in trust and all plant, machinery, jigs, patterns, dies, moulds, special tooling, computer software etc., will be excluded from the valuation unless they are an integral part of the building and stated in the report as being included.
- (o) In providing the valuation we shall make no allowances for:
 - i) any liability of any party to taxation occasioned or contingent upon any aspect of the transactions considered in the valuation including Capital Gains Tax, Value Added Tax. We will not take into account any individual, corporate or other tax status. We point out that an individual's tax status and the imposition of Value Added Tax may influence values for capital and rental purposes.
 - ii) any professional fees or costs incurred on the notional sale or purchase of the property unless specifically stated in the valuation.
 - iii) any rights, obligations or liabilities whether prospective or accrued under the Defective Premises Act 1972, and we assume all fixed plant and machinery and its installation complies with the relevant UK and EC legislation.
- (p) We have not carried out any soil tests or made any other investigations into the nature or condition of the soil or the existence or likelihood of contamination, pollution or seepage, either on the property or on neighbouring or adjacent property.
- (q) Following your specific instruction a formal environmental assessment has not been provided and the property is valued on the assumption that there is no contamination.
- (r) Following your specific instruction a structural survey of the building has not been provided and the property is valued on the assumption that the property is in a reasonable condition except where stated to the contrary in this report.



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