

VALUATION REPORT



SUBJECT OF VALUATION:

**BRIDGE BUILDINGS
BRIDGE STREET
BIDEFORD
DEVON
EX39 2HT**

PREPARED FOR:

**TORRIDGE DISTRICT COUNCIL
RIVERBANK HOUSE
BIDEFORD
DEVON
EX39 2QG**

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1. SUMMARY AND VALUATION

1.1 PROPERTY (Subject of the Valuation)

1.1.1 Address

Bridge Buildings
Bridge Street
Bideford
Devon
EX39 2HT

1.2 BRIEF SUMMARY

1.2.1 Type of Property

Owner Occupied – Commercial Offices

1.2.2. Location

Secondary, edge of town centre

1.2.3. Tenure

Freehold.

1.2.4. Valuation Date

14th October 2014

1.2.5 Definitions of bases of valuation are set out in Appendix II

1.2.6 Freehold Interest with vacant possession and assuming existing use as offices

£330,000 (Three Hundred and Thirty Thousand Pounds)

1.2.7 Freehold interest with vacant possession and assuming alternative use to 6 no. residential apartments

Nil value

The alternative use value has an inherent risk factor with this in terms of obtaining the necessary planning consents, the risk of market fluctuations over the period that will elapse between submitting an application and getting a planning consent for the alternative use.

Taking account of the above it would, in our opinion, be considered reasonable in assuming its best use value is its existing use as offices.

1.3 ENTIRE REPORT

This 'Summary and Valuation' should not be considered other than as part of the entire report.

2. INSTRUCTIONS AND TERMS OF ENGAGEMENT

2.1 INSTRUCTIONS

This Report has been prepared following instructions dated 29th September 2014 from Mr Andrew Waite on behalf of Torridge District Council and has been carried out by Mr Lester Bird BSc (Hons) MRICS, who is an Independent Valuer and External Valuer in accordance with the requirements of the RICS Professional Standards - Global & UK (8th Edition).

Unless stated to the contrary, this Report is subject to the Terms of Engagement for the valuation of Business Property in accordance with the Royal Institution of Chartered Surveyors recommendations.

These instructions were confirmed in writing on 1st October 2014 and are attached at Appendix III.

2.2 PURPOSE OF THE VALUATION

We have been asked to provide various valuations, including a commentary on alternative uses and general marketing of the property, as set out in 2.4 below pending a possible disposal of the building by the Client.

2.3 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This report is provided for the purposes and use of the Client. It is confidential to the Client and Clients' representatives.

The Valuer accepts responsibility to the Client alone and the Report has been prepared with the skill, care and diligence reasonably expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any party other than the Client. Any other party relies upon the Report at their own risk.

Neither the whole nor any part of this report or valuation, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way, nor disclosed to any third party without the prior written consent of Underwood Wright, Chartered Surveyors.

2.4 VALUATION BASES

In accordance with the definitions in Appendix II we have been requested to provide our opinion of:-

1. *Market Value of the Freehold Interest, assuming full vacant possession and taking account of its existing use as offices*
2. *Market Value of the Freehold Interest, assuming full vacant possession and taking account of alternative use for residential development.*

Our appraisal of Market Value (MV) is on the basis of standard assumptions set out in Appendix II.

2.5 INSURANCE REINSTATEMENT COST

We have not been asked to provide a re-instatement value.

2.6 SCOPE AND CONTENT OF INSPECTION AND REPORT

Please see our Terms of Engagement, Appendix I. We draw particular attention to certain caveats and assumptions as follows:

- 2.6.1 The work we will undertake, the sources of information upon which we shall rely and limitations that will apply to our investigation and report are set out within the RICS Valuation Standards - UK and Global (8th Edition).
- 2.6.2 We confirm that the valuation will be the responsibility of Mr Lester Bird BSc (Hons) MRICS of Underwood Wright, Chartered Surveyors and who is an RICS Registered Valuer and has the experience and knowledge of valuing land and buildings of the particular types specified.
- 2.6.3 The Valuer has the knowledge, skills and understanding to undertake the valuations competently. In addition the valuations may be subject to monitoring under the RICS Conduct and Disciplinary Regulations. Underwood Wright Ltd also has a Complaints Handling Procedure, a copy of which is available upon request.
- 2.6.4 Our Valuation Report includes all items which are in the nature of "Landlords fixtures". Such items include partitions in offices, air conditioning units, permanent heating systems, including boiler, tanks and ancillary equipment, heating pipes and radiators.
- 2.6.5 We have excluded from our valuation any value attributable to fixed and loose plant and machinery, loose tools and other chattels such as office furniture, sundry equipment, stock, stores, work in progress, goodwill of the business, or any fixed or other assets not specially referred to.
- 2.6.6 Any interpretation of legal documents and legal assumptions must be checked by the Client with a suitably qualified solicitor if they are to be relied upon. No responsibility or liability is accepted for the correct interpretation of the legal position of the Client or and other parties.
- 2.6.7 We confirm we have acted as independent Valuers and have no other current or presently foreseeable fee earning relationship concerning the subject property apart from the valuation fee and have disclosed in writing to our Client any present relationship, or relationship within the past two years of receipt of the valuation instructions, with any of the interested parties and any previous involvement with the subject property.
- 2.6.8 In providing our valuation advice no allowance has been made for liability for taxation which may arise on disposal, whether actual or notional, nor does the valuation reflect the costs of acquisition or realisation. We are not aware as to whether VAT is chargeable on a disposal and for the purposes of this report we have assumed this would not affect our valuation.
- 2.6.9 We have inspected the property as far as is reasonably necessary for valuation purposes. This has comprised a visual inspect of the exterior and interior of the property, such as could be undertaken from standing at ground level within the boundaries of the site and adjacent public/communal areas and as was readily accessible with safety and without undue difficulty including standing at the various floor levels. We have not carried out a building survey of the buildings nor have we inspected woodwork, steelwork or other parts of the property which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. Our report does not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such

parts. Neither have we carried out any tests of any kind on the electrical, plumbing or other services installed.

- 2.6.10 We have not undertaken any tests to confirm that deleterious, hazardous, inherently dangerous or unsuitable materials or techniques were used in the construction of the property or have since been incorporated. Therefore, we are not able to confirm the premises are free from such material. Asbestos is present in many buildings constructed or altered during the 20th Century and poses a particular hazard to health. Special precautions must be observed when handling asbestos: the removal of the material can be very costly. Businesses are obliged to comply with the Management of Asbestos Regulations.
- 2.6.11 The property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.
- 2.6.12 The property and its value would not be affected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and neither the property, nor its condition, use or intended use are, or would be unlawful. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.
- 2.6.13 Inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuations materially.
- 2.6.14 We carry Professional Indemnity Insurance on a per claim basis which is adequate in respect of this instruction. A copy certificate to this effect can be provided to the Client upon request.

2.7 SOURCES AND EXTENT OF INFORMATION

In preparing this report, we have based our opinion on information supplied to us. We have only attempted to obtain verification where there appeared to be a risk of doubt. Further investigation could prove such information provided to be erroneous and which could have the effect of nullifying our valuation(s). We have stated the source of information relied upon under the various headings (i.e. 4.1 Rating, 4.2 Town Planning, 4.11 Contamination, etc. 5. Tenure).

2.8 LIMITATIONS OF INSPECTION

The Report is based upon limited investigations by the Valuer. The Valuer has not, for example, undertaken any physical site investigations

We do not carry out or commission detailed site investigations or geographical or geophysical surveys and, therefore, are unable to give any opinion or assurance or guarantee that the ground has sufficient load bearing strength to support any constructions that may be erected in the future. We also cannot give any opinion or assurance or guarantee that there are no underground mineral or other workings beneath the site or in its vicinity nor that there is any fault or disability underground which could or might affect the properties or any construction thereon.

We did not obtain access into the roof space. It must therefore be accepted that there may be unseen defects within these hidden areas and unless we are instructed to undertake a more detailed inspection of these unseen areas you must accept responsibility.

2.9 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of inspection, 14th October 2014.

The valuations reflect our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

3. THE PREMISES (SUBJECT OF THE VALUATION)

3.1 LOCATION

The property is situated in a prominent, but secondary trading position, fronting onto Allhalland Street and Bridge Street and backing onto Town's Quayside. The premises are amongst a mixture of predominantly commercial properties and the amount of footfall in this location is less than for the main town centre (High St./Mill St.) nearby. For this and other reasons rental values for properties in this location are lower than the prime trading pitches.

The Port and Market Town of Bideford is situated on the River Torridge and is the centre of the Torridge District Council administrative area. The town has a population of approximately 11,000, which increases to approximately 17,000 when including Bideford East and the immediate outlying areas. The town provides a mix of local, regional and national shops, together with a mix of office and leisure facilities, situated mainly to the west of the River Torridge.

The main commercial core of the Town is focused around the junction of the High Street and Mill Street, which is about 100 metres from the subject property, but the building commands a very prominent position at the end of the Bideford Long Bridge and backing directly on to the Quayside.

The North Devon Link Road is within a couple of miles and enables easy access to Tiverton and the M5 motorway (Junction 27).

Barnstaple, which is approximately 10 miles away is the North Devon regional administrative centre and which provides a wider choice of shopping and recreational facilities.

There are train stations at Barnstaple, Tiverton and Exeter St. Davids mainline station, the latter being situated to the south-east.

Please see location plan in Appendix IV. It should be noted that this plan and the markings thereon indicate the approximate extent of the site inspected and no guarantee can be given as to whether this corresponds to that over which title is held. It remains the responsibility of the Client to investigate and confirm the legal boundaries and title applied to the property.

3.2 DESCRIPTION (and Existing Use)

The subject property is a substantial and impressive end-terraced, period Grade II Listed five-storey building (including the basement) comprising office accommodation to the ground, first, second & third floors and primarily storage and plant to the basement.

Historically, the building was built and used as a college. It has since been used as a Hall and, more latterly, as Local Authority administrative offices.

3.3 CONSTRUCTION

The main building is assumed of conventional solid, masonry stone construction, under a multi-faceted roof, clad externally in natural slate. Windows are mostly single-glazed, timber sash units and painted.

Internally the property has an impressive main turned staircase to all floors and a number of retained period features, such as mouldings to ceilings, etc.

3.4 AGE

There has been a building on this site since 1689, although the existing building was completely re-built in 1882 and was refurbished in 1997, 2010 and most latterly in 2012.

3.5 SITE

The property occupies a corner site, with pedestrian entrances off of both Bridge Street and Allhalland Street. The buildings backs directly onto the Quayside.

There is a small external curtilage, which accommodates the fire escape and access.

3.6 ACCOMMODATION

The premises have been measured in accordance with the provisions of the latest edition of the RICS Code of Measuring Practice and has the following net internal floor areas:-

3.6.1 Bridge Buildings

<u>Lower Ground Floor (Basement):</u>		<u>sq.m</u>	<u>sq.ft</u>
B1	Stairs/Lobby		
B2	Archive store/Plant room	36.04	387.93
B3	Archive store	18.40	198.05
B4	Store	15.20	163.61
B5	Passageway		
B6	Lift Motor		
B7	Boiler Room		
<u>Ground Floor:</u>			
G1	Stairs/Lobby		
G2	Reception/Interview rooms	29.40	316.46
G3	Waiting Area	13.33	143.48
G4	Entrance Lobby	13.30	143.16
G5	Passageway		
G6	Ladies WC		
G7	Gents WC		
G9	Offices	60.00	645.83
G10	Offices	30.00	322.92

First Floor:

F1	Stairs/Lobby		
F2/2a	Offices	29.38	306.23
F3	Offices	26.88	289.33
F4	Store/Server room	29.07	312.90
F5	Landing		
F6	Ladies WC		
F7	Gents WC		
F8	Cupboard		
F9	Offices	60.00	645.83
F10	Offices	30.00	322.92

Second Floor:

S1			
S2/2a	Offices	35.21	378.99
S3	Offices	19.35	208.28
S4	Offices	28.60	307.85
S5	Landing		
S6	Offices	8.05	86.65
S7	Ladies WC		
S9/12	Offices	60.00	645.83
S10	Offices	30.00	322.92

Third Floor:

T1	Stairs/Lobby		
T2	Offices	29.00	312.15
T5	Landing		
T6	Store	7.48	80.51
T7	Staff Mess	16.83	181.16
T9/12	Offices	60.00	645.83
T10	Offices	30.00	322.92

Net Internal Area (NIA):-

Basement storage	69.64	749.60
Ground Floor Accommodation:	146.03	1571.85
First Floor Accommodation:	175.33	1887.23
Second Floor Accommodation:	181.21	1950.52
Third Floor Accommodation:	143.31	1542.57

Total Net Internal Area of building: 715.52 sq.m 7701.77 sq.ft.

Outside:

There is a small yard housing the fire escape and air conditioning unit, with shared access on to Allhalland Street, for fire escape purposes only.

3.7 SERVICES

We understand that mains electricity, water gas and drainage are all connected to the property.

There is a gas-fired central heating system and air conditioning throughout the building.

There is an internal lift to all floors.

A full fire alarm/smoke detection and sprinkler system is installed.

Whilst it is beyond the scope of our instructions to undertake testing of services, equipment, fixtures and fittings, we assume that all such items are operating safely and efficiently and are appropriate for the purpose to which they are put.

4. LOCAL AUTHORITY, STATUTORY ISSUES AND ENVIRONMENTAL MATTERS

Local Authority: Torridge District Council, Riverbank House, Bideford, Devon EX39 2QG

4.1 RATING ASSESSMENT

The Valuation Office Agency website (for which we can accept no responsibility for accuracy) indicated the property is included as a single hereditament within the 2010 Valuation List as "Office and Premises" and has a Rateable Value of £31,000.

4.2 TOWN PLANNING

We understand the property is Grade II Listed, being a building of architectural and/or historic interest and is situated in the Conservation Area of Bideford.

It is assumed that the property currently has permitted use within B1(a) Offices – within the General Use Classes Order 2014 (as amended).

In being asked to consider the possible alternative uses of the buildings we have made various assumptions relating to planning consents for a change of use to residential, leisure (ie hotel/guest house), mixed leisure/residential (ie ground floor restaurant/bar with flats over) or mixed commercial/residential (ie shops/offices with residential over).

In terms of acceptable alternative uses it is considered that the building lends itself to residential conversion, the principle of which is acceptable by the Local Planning Policy and the recent changes to permitted development rights within the amended Use Classes Order from B1(a) office use to C3 residential use (which came into force from 30th May 2013).

The property has not been restricted or designated to a particular use in the Local Plan and therefore in terms of planning policy many alternative uses would be acceptable. However, we have been mindful of the property's location with regards it being within the Conservation Area and the sensitive nature of the building in terms of it being Listed for its architecture and historic importance.

Ultimately the most economically viable use will dictate the end use.

An affordable housing contribution would not be sought on any proposal under 15 dwellings or less than 0.5 hectares in Bideford. However, the emerging Local Plan, which is expected to be adopted in late 2015 may well alter the situation with regards affordable housing provision. The Local Planning Authority will be seeking a contribution of 30% as the emerging policy stands. There is an existing use value of the subject property and therefore the guidance set out by the RICS – financial viability in planning, will need to be carefully followed to ensure that the right level of Section 106 contributions is agreed, if relevant. For the benefit of this report, we have used the existing adopted policy to arrive at our conclusion.

4.3 HIGHWAYS AND RIGHTS OF ACCESS

The subject property is accessed by foot off what we assume to be an adopted public highway, with the upkeep being the responsibility of the Highways Authority. There is no vehicular access to the property.

4.4 THE FIRE REGULATORY REFORM (FIRE SAFETY) ORDER 2005

This came into effect on 1st October 2006 and replaces most fire safety legislation. Fire authorities no longer issue Fire Certificates and those previously in force now have no legal status. Under this legislation, the 'responsible person' must now carry out a 'Fire Risk Assessment' (or more particularly ensure one is carried out by a suitably qualified person). Unlike the old Fire Certificates, a Fire Risk Assessment is based on the way premises are used and thus is not something which runs with property or is transferred to a new occupier. Lenders are advised to ensure that occupiers are required to obtain Fire Risk Assessment and which should be kept under review.

We assume that a Fire Risk Assessment has taken place. However one was not provided upon inspection. You should confirm that one is in place.

4.5 HEALTH AND SAFETY

All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current/proposed use or to confirm compliance with regulations.

4.6 CONTROL OF ASBESTOS REGULATIONS 2006 & 2012

These Regulations require every 'duty holder' of non-domestic premises to assess whether asbestos is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A 'duty holder' is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises.

We have made verbal enquiries on site during the course of the inspection regarding the assessment of the property in accordance with these Regulations. The occupier confirmed that an Asbestos Report or similar document is available, although this has not been sighted.

Some asbestos-based material was noted on site and it is possible that other asbestos-based material exists, particularly in concealed areas that were not inspected. You should confirm that an Asbestos Management Plan is in place in order to comply with the relevant Regulations.

4.7 THE EQUALITY ACT 2010

This legislation imposes obligations on service providers and employers to make reasonable provision for disabled people. We have not carried out an access audit and therefore we do not speculate as to whether any alterations/adaptations would be required by a service provider or employer.

This legislation particularly applies where fifteen or more people are employed or whether customers or service users may require access to business premises. The applicant should consider the extent to which this is relevant to his business and, if any doubt, should commission advice from a suitably qualified insured individual or company. Costly alterations/adaptations to physical features of the building, car parking, grounds etc. may be necessary as a result and this could impact on the property.

ENVIRONMENTAL ISSUES

4.8 CONTAMINATION

We have not been advised of any contamination relating to the property. We are not aware of the content of any environmental audit or other environmental investigation or soil survey, which may have been carried out on the property and which may draw attention to contamination or the possibility of any such contamination.

Our enquiries and site observation have not revealed any contamination affecting the property or neighbouring property that would affect our report and valuation. For the purposes of our report and valuation, we have assumed that the property is free from contamination. However, should it be established subsequently that contamination, seepage or pollution exists at the property, or any neighbouring land, or that the premises have been or are being put to a contaminative use, this may reduce the value now reported and we would require the opportunity to reconsider our report and valuation.

4.9 FLOODING

The subject property is located on the edge of the town centre within the development boundary of Bideford. The Adopted Torridge Local Plan currently used for development control purposes indicates that the designated flood zone abuts the eastern elevation of the building.

4.10 GROUND STABILITY

We have not carried out or commissioned a site investigation or geographical survey. We have assumed that the ground has sufficient load bearing strength to support existing structures or any other structures that may be erected in the future.

4.11 RADON

The property is in a part of the country where there is an increased likelihood of Radon potentially posing a risk to health. Radon is a naturally occurring radioactive gas and is linked to increased incidences of lung cancer. The Ionising Radiations Regulations impose a duty on employers to protect workers from exposure to Radon. Further information may be obtained from the Health Protection Agency <http://www.hpa.org.uk/radiation/radon>. In the event of the level of Radon at the property being discovered to be sufficiently high to require remedial works, significant costs could be incurred. For the purpose of our valuation, we have assumed that no such works are necessary.

5. TENURE/TITLE

Unless otherwise stated we have assumed the title is free from encumbrances and that lawyers local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that legal advisers investigate the Title in order to ensure this is correct.

The interest to be valued is Freehold and our assumption is that there would be vacant possession available to all parts.

6 ADDITIONAL COMMENTS AND RECOMMENDATIONS

6.1 GENERAL STATE OF REPAIR

We have not carried out a building survey or tested services, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

We are advised that the building underwent significant refurbishment in 1997 and again internally in 2010. It was re-furbished externally in the summer of 2012, at considerable capital expenditure.

Although we have not conducted a Building Survey of the property we consider that subject to continuing maintenance and repair it is considered that the original building as a whole offers a good future economic life span.

Should it be found on the basis of a more detailed inspection that the property suffers from inherent or structural defects, we reserve the right to alter our valuation accordingly.

Due to the nature of the construction the general standards of insulation are likely to be below that now required.

6.2 ECONOMIC LIFE

In our opinion the property has a functional and economic life into the longer term on the understanding that general maintenance and repair works continue to be undertaken.

6.3 ALTERNATIVE USES

Bridge Buildings is one of Bideford's 'landmark' historic buildings and, subject to necessary planning consents, it is considered could possibly lend itself to a variety of alternative uses, including conversion to residential apartments, small hotel/guest house or possibly mixed leisure/residential with bar/restaurant on the ground floor with living accommodation above. However, this would only be on the basis that the conversion costs and end values are economically viable.

The most likely of these in terms of a possible return on investment is for residential conversion to provide self-contained apartments within the existing building.

However, the building is Grade II Listed, with a number of historic and architectural features and which would have to be retained and incorporated into any conversion scheme. The cost of converting an older building is generally higher than that of a new build and especially a Listed building, due to its historic and architectural elements. There is also the additional costs of retrospectively installing sound and fire proofing to comply with current regulations.

In considering the property's conversion potential we have carried out a basic residual valuation, which considers the conversion costs on a square metre basis from BCIS tables, contingencies, finance and legal fees and developers profit. We have also considered the gross development value of the finished apartments.

We have made various assumptions in assessing the value of the development to apartments and it should be noted that a residual value of the building can vary from valuer to valuer; this is mainly due to the natural deviation and sensitivities of variables used in the valuation.

From past knowledge of a similar, but smaller scheme whereby the Council obtained planning consent to convert nearby offices to residential flats, the cost of conversion was prohibitive to developers and the building was ultimately offered and sold on the open market and utilised as offices by a local company.

This, together with the residential valuation would support the general feeling that the cost of converting the subject building to a viable alternative use is likely to be similarly prohibitive, particularly bearing in mind it is Listed.

6.4 MARKET CONDITIONS

Property market conditions have been generally depressed since the spring of 2008 following extreme stock market volatility, the credit crunch and the general lack of market confidence. The Bank of England and Central Government have invested billions of pounds to shore up lending institutions and provide stability. Clearly the UK Property market continues to adjust to evolving economic uncertainties and turbulence in the world financial market continues to affect the UK property market.

Demand for 715 sq.m (7,700 sq.ft) of commercial office space, albeit in a fairly prominent building, would, in our opinion, be somewhat limited and although the building does lend itself to being split there would be the costs and management implications in doing this and again demand is not considered to be particularly strong.

There is likely to be a certain demand for quality residential apartments overlooking the river and close to the town centre, but as previously stated the market value of these is unlikely to off-set the significant construction and other costs (and developers profit) in refurbishing the building to provide these apartments.

In the current market and taking account of the existing use and potential alternative uses of the building we would recommend that the building is placed on the open market in its current state, but advertised and marketed on the basis of possible alternative re-development, subject to a purchaser obtaining any relevant consents.

6.5 MARKET AND VALUATION FACTORS

The location is reasonable favourable, the property being situated in a prominent position on the edge of the commercial core of the town and the nearby occupiers are mainly local, but well established traders.

The property has been occupied by the Council for many years as administrative offices and in the recent past significant capital expenditure has been invested in the building as offices and so as to prolong its economic use. Commercially the location is considered to be secondary, although still situated within the designated town centre of Bideford.

There is no useful external curtilage/parking whatsoever, although there is a public car park immediately opposite.

Rental evidence for offices such as this would indicate a range from about £26.90/sq.m (£2.50/sq.ft) to £53.80/sq.m (£5.00/sq.ft) for the upper floors, whilst the ground floor office space would command a rental value in the region of £75.34/sq.m (£7.00/sq.ft).

Taking account of the size and nature of the building and likely rental voids, etc. market evidence would, in our opinion, support a yield of 8% to 9% for an investment of this type.

Based on a net internal area (NIA) of 737 sq.m (7,934 sq.ft) and adopting the rental values above, after deductions for maintenance and management this would give a valuation range of £310,000 to £350,000 as offices.

In reaching our opinion of its Market Value below we have taken into account the location, size, general condition and specification of the property on the basis of a limited inspection.

In assessing its alternative use value we have considered the buildings historic and architectural features and the impact this will have on the cost of converting the existing offices to residential.

There are also a number of flats/apartments in Bideford already and therefore current supply is likely to affect future demand for residential apartments.

With the expansion of Caddsdow Business Park and, to a lesser degree, Clovelly Road Industrial Estate and the economic climate, conditions for office/commercial floor space in North Devon continue to be extremely challenging. Fewer sales and lettings are taking place and values have fallen noticeably from their peak levels.

Even in normal market conditions this property would, in our opinion, have a limited market for disposal, due to its size and the likely maintenance/running costs of the building. However with current market conditions and the continued noticeable slow-down in demand, with fewer prospective purchasers in the market place that are in a position to proceed and an increase in supply of available properties, there are likely to be far fewer buyers in the market place.

6.6 POTENTIAL RENTAL INCOME

6.6.1 Based on comparable rental evidence we consider the current Market Rent (MR) for the whole building as offices to be in the region of **£33,000 p.a.** exclusive.

6.6.2 Based on comparable rental evidence of residential apartments in the locality we consider the Market rent (MR) for the building as 6 no. residential apartments to be in the region of **£45,000 p.a.** exclusive.

This figure would obviously only be achieved following the conversion of the building which, as previously stated, is not in our opinion considered to be economically viable.

6.7 METHODOLOGY AND RATIONALE

Our valuation methodology is based upon a combination of the comparative and investment approaches. We have also used a basic residual method when considering the possible alternative uses of the building for residential development.

In reaching our opinion of Market Value we have had due regards to the limited comparable evidence of sales of both unencumbered and investment property of a similar nature in Bideford town centre and, to a lesser degree, further afield. We have also had regards to rental evidence for office lettings and the likely lease terms that could be negotiated in the market for the premises.

In assessing the possible alternative use we have had regard to comparable sales evidence of similar residential apartments in the vicinity. From this we have deducted all of the construction and other costs of the project, including a developers profit and which leaves a 'residual value' of the site.

6.8 VALUATION

- 6.8.1 We consider the Market Value (MV) of the Freehold interest, assuming its existing use as offices, with vacant possession is fairly reflected by a figure in the sum of

£330,000 (Three Hundred & Thirty Thousand Pounds)

- 6.8.2 With regards an alternative use value based upon residential re-development, having carried out a basic residual valuation we consider that the construction and other costs would outweigh the gross development value of the finished scheme and therefore there is a negative or, at the very best, a break even figure for its alternative use as residential apartments.

Our valuations are all exclusive of VAT.

6.9. MARKETABILITY

We would also comment as follows:-

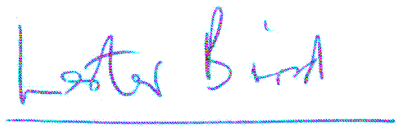
1. The potential market for the property is considered to be limited at the present time and the likely timing to realisation if offered on the open market as an investment is considered to be 12 - 18 months.
2. The property is not considered to be of a specialist nature.
3. We are unaware of any restrictions, covenants or easements and if any of these exist then they should be referred to us for further comment.
4. The property does not appear to be adversely affected by its age or obsolescence.
5. Current and future market/economic conditions appear uncertain and this could impact on the figures given above in the medium to longer term.

7. SIGNATURE AND DATE OF REPORT

The property was inspected on the 14th October 2014 and the report prepared by Mr Lester Bird BSc (Hons) MRICS, an Independent and External Valuer, who has the relevant experience and knowledge of valuing this type of property in the locality.

We confirm that neither the firm nor the Valuer has any conflict of interest in this matter.

The undersigned has not previously had any professional involvement in connection with the property.



Signed _____

LC BIRD BSc (Hons) MRICS
RICS Registered Valuer

for and on behalf of

UNDERWOOD WRIGHT
Chartered Surveyors
23a The Quay
Bideford
Devon
EX39 2EZ

Date of Report: 4th November 2014

APPENDIX I

BASES OF VALUATION

This valuation has been prepared in accordance with written instructions, as agreed, and the RICS Valuation Standards – UK & Global (8th Edition).

Market Value

Market Value (MV) is defined in the RICS Valuation Standards as:-

"the estimated amount for which a property shall exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction of the property wherein the parties had acted knowledgeably, prudently and without compulsion".

We confirm that when reporting our opinion of Market Value we have applied the interpretive commentary provided in Valuation Standard 3.2 of the RICS Valuation Standards.

Special Assumptions

A special assumption is defined in the RICS Valuation Standards as:-

"an assumption that either 1) requires the valuation to be based on facts that differ materially from those that exist at the time of the date of valuation; or 2) is one that a prospective purchaser (excluding the purchaser with a special interest) could not reasonably be expected to make at the date of valuation, having regard to prevailing market circumstances".

If there are any Special Assumptions, these are set out under 2.4.

Worth and Investment Value

Where we have been instructed to provide a valuation based on worth, or investment value, we have done so in accordance with Valuation Standard 3.4 of the RICS Valuation Standards, where it is defined as:-

"the value of property to a particular owner, investor or class of investors for identified investment or operational objectives."

Although under some circumstances worth may be the same as the amount that could be realised from the sale of the asset, this value is specific to a party and essentially affects the benefits received by holding the asset and therefore does not necessarily involve hypothetical exchange. It may differ from Market Value.

Fair Value

Where we have been instructed to value the property on the basis of fair value, we have done so in accordance with Valuation Standard 3.5 of the RICS Valuation Standards, where it is defined as:-

"an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction".

Fair Value represents the price that would be reasonably agreed between two specific parties for the exchange of an asset. Although the parties may be unconnected and negotiated at arm's length, the asset is not necessarily exposed in the wider market and the price agreed may be one that affects the specific advantages (or disadvantages) of ownership to the parties involved rather than the market at large.

The Existing Use Value

We have provided an opinion of Existing Use Value. This has been arrived at in accordance with UK VS 1.3 of the RICS Valuation Standards, where it is defined as follows:-

"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 acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession with all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost".

This basis ignores any element of hope value for an alternative use, any value attributable to personal goodwill and any possible increase in value due to special investment of financial transactions (such as sale and lease) which would leave the owner with a different interest from the one which is valued. However, it includes any value attributable to any possibilities of the extensions of further buildings or undeveloped land or redevelopment of existing buildings (or for the existing planning use) providing such construction can be undertaken without major interruption to the continuing business.

**APPENDIX II
UNDERWOODWRIGHT LTD
TERMS OF ENGAGEMENT**

Our Ref: LCB/BID948/VC
1st October 2014

Torridge District Council
Riverbank House
Bideford
Devon
EX39 2QG

For the attention of Mr Andrew Waite

Dear Sirs

Client	Torridge District Council
Subject of valuation	Bridge Buildings, The Quay, Bideford, Devon, EX39 2HT
Tenure	Freehold
Purpose of Valuation	Possible disposal
Type or classification of property	Commercial Offices
Valuation Date	Date of Report

Thank you for your instructions to value the above property in consideration of a possible future disposal of the building.

The general terms upon which we accept this instruction are set out in our Standard Terms of Business for Valuations, which are attached. When you have fully reviewed and considered these and providing you are in agreement, please sign and return to us the Acceptance Form attached.

We confirm that the valuation will be prepared in accordance with the current RICS Standards.

We confirm that we will inspect the property internally and will contact yourself or Mr Andy Champion to make the arrangements. The work we will undertake, the sources of the information upon which we shall rely and the limitations that will apply to our investigations and report are set out in the Standard Terms of Business for Valuations which, as previously mentioned, are attached.

Where full details of the property, such as its use or classification or details of leases are not available at the date of this letter, we will establish these and confirm them with you in writing before our report is issued.

The basis of valuation is Market Value (as defined), together with a market/development appraisal for alternative uses.

In addition to the standard assumptions as set down in our Standard Terms of Business for Valuations, our report is based upon the following Special Assumptions:

- a) Existing use value as commercial offices for investment.
- b) Best alternative uses, subject to and assuming all planning/statutory regulations are forthcoming.

Otherwise there are no Reservations, Special Instructions or Departures from the Valuation Standards.

We confirm that the valuation will be the responsibility of Lester Bird BSc (Hons) MRICS who will be acting as an Independent and External Valuer. We also confirm that he has the necessary knowledge, skills and understanding to undertake the valuation competently.

We confirm that there is no conflict of interest arising from our undertaking of this valuation.

The currency to be adopted is UK Pounds Sterling.

Our fee for undertaking this work will not exceed £2,000.00 plus VAT (£2,400.00).

We require payment prior to submission of our written findings and therefore please submit a cheque (payable to Underwood Wright Ltd) in settlement. Alternatively electronic payment can be made to our Bank as follows:-

Lloyds TSB Bank Plc
17 Cross Street
Barnstaple
Devon
EX31 1BE

Sort Code: 30-90-49
Bank Account No: 40644168

Please quote our reference LCB/BID948

A receipted Invoice will then be submitted with the report.

The report will be addressed to Torridge District Council Contracts and Procurement and is for your use only. We particularly draw your attention to the comments in our Standard Terms of Business about our liability to third parties and publication.

You are advised that compliance with the Valuation Standards may be investigated by RICS for the purposes of the administration of the Institution's Conduct and Disciplinary Regulations.

As a firm we have a complaints handling procedure and a copy of this is available upon request.

We believe that we have fully set out your requirements but if we have omitted any matter, please let us know.

Yours faithfully/sincerely

Lester Bird BSc (Hons) MRICS
RICS Registered Valuer
Underwood Wright Ltd
Direct Dial 01237 473184
Email: lester@underwoodwright.co.uk

Encs:

UNDERWOOD WRIGHT LTD STANDARD TERMS OF BUSINESS AND GENERAL ASSUMPTIONS FOR VALUATIONS

The following are Underwood Wright Ltd Standard Terms of Business and General Assumptions for Valuations. They set out the terms on which Underwood Wright Ltd will undertake the required valuation, unless there are any expressly agreed variations confirmed in writing. The Valuation Report will be prepared and presented by a duly authorised Valuer acting for and on behalf of Underwood Wright Ltd:

Generally

We confirm that Underwood Wright Ltd holds professional indemnity insurance in respect of the service to be provided.

Application

As it is in the interest of both parties that there is a full understanding of the terms of reference and the service to be provided, this document sets out our Standard Terms of Business for Valuations. This should be read with the covering acknowledgement letter and we would be pleased to discuss variations and to arrange the provision of extended or additional services, such as site building survey or condition report.

The Report will be provided for the stated purpose(s) and for the sole use of the named Client. It will be confidential to the Client and the Client's professional advisers. The Valuer accepts responsibility to the Client alone that he has the appropriate knowledge, skills and understanding to undertake the valuation competently but accepts no responsibility whatsoever to any parties other than the Client.

Appointment

The client appoints Underwood Wright Ltd to provide the agreed services exercising reasonable skill and care. This document and the acknowledgement letter are to be read together as a single document. Any variations to these terms agreed following the initial settlement of the terms are to be recorded in writing and agreed by all the relevant parties.

Any such parties rely upon the Report at their own risk. Neither the whole or any part of the Report nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

The parties to this agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

Performance Standards

We confirm that as valuers we have the necessary knowledge, skills and understanding to undertake any valuation we carry out competently. In addition all valuations and appraisals will be carried out in accordance with RICS Valuation - Professional Standards (Global & UK). Compliance with the RICS Rules of Conduct and the Valuation Standards is mandatory for Chartered Surveyors in the interests of maintaining high standards of service and for the protection of clients. Our valuations may also be subject to monitoring under the RICS conduct and disciplinary regulations.

The Client's Obligations

The client agrees to pay the fees for the work carried out in accordance with the rates or structure set out in the acknowledgement letter. In addition, the client will reimburse Underwood Wright Ltd the cost of all reasonable out-of-pocket expenses which may be incurred (if so agreed) and pay the amount of any Value Added Tax on the fee and the expenses. Unless stated otherwise, our account is to be settled within 14 days of the invoice date. Overdue payments will attract interest at 4% pa above the Lloyds TSB Bank base rate.

Liability and Duty of Care

Underwood Wright Ltd owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client's instructions where those instructions do not conflict with these terms or applicable law and professional rules.

We are also required to point out that in the event that we collect monies in advance of the work being carried out, any payment received will not be construed as client money that is subject to the RICS Client Money Regulations.

We have no liability for the consequences, including delay in or failure to provide the services, of any failure by the client or any agent of the client: promptly to provide information or other material reasonably requested, or where that material is inaccurate or incomplete, or to follow our advice or recommendations.

The client will be responsible for the provision of all information and cooperation reasonably, including that from third parties engaged directly by the client, required by us to assist in the performance of the service. We will assume that the information provided is complete and correct.

The client will not make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

The contents of the valuation report are intended 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. Should you wish to make reference to the valuation in annual accounts or any other document, circular or statement or disclose it to a third party, we require to approve the form and context of such publication or disclosure.

In the event of a termination of our services, our fees will be calculated on a quantum meruit basis having regard to the agreed rates or fee structure.

Jurisdiction

English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of any dispute arising in connection with the valuation, including any third party using the valuation, the parties will submit to the jurisdiction of the English courts only.

Regulated Purpose Valuations

The RICS has established particular requirements where a valuation may be made available to third parties, such as part of a company's published financial statement. Such valuations, and the disclosures required within the report will be identified in the acknowledgement letter.

Where the valuation is a Regulated Purpose Valuation, the acknowledgement letter will include a statement as to our policy on the rotation of the valuer having responsibility for the subject valuation. The report will also include statements in relation to the length of time the valuer has been continuously the signatory to valuations provided for you for the same purpose as the report, the extent and duration of the relationship of Underwood Wright Ltd with you, and an indication of the proportion of fees relative to the total income of Underwood Wright Ltd within a range of five percentage points.

The Status of the Valuer

The valuation will be the responsibility of a named suitably qualified valuer who will be acting as an independent and external valuer. An external valuer is defined as, 'A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment'.

Complaints

In the event that a complaint should arise, we confirm that we have a complaints handling procedure, a copy of which will be provided on request.

Valuation Conditions and Assumptions**Generally**

Inspections and investigations will be carried out to the extent necessary to produce a valuation which is professionally adequate for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report.

Subject to the comments in the following paragraphs, we shall make certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we will not verify as part of the valuation process, but treat them as a 'supposition taken to be true'. In the event these assumptions prove to be incorrect then our valuations will need to be reviewed.

In reporting the Valuer will make the following assumptions, which he/she will be under no duty to verify:

- (a) that no harmful or hazardous material has been used in the construction of the property or has since been incorporated, and that there is no contamination in or from the ground, and it is not landfilled ground;
- (b) that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;

- (c) that the property and its value 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 property, nor its condition, nor its use, nor its intended use, is or will be unlawful;
- (d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially;
- (e) that no radon gas is present at the property; and
- (f) no allowance will be made for any liability as to taxation and associated costs of acquisition or realisation.

The work we will undertake, the sources of information on which we shall rely and the limitations that will apply to our investigations and report are set out within the RICS Valuation - Professional Standards (Global & UK).

The currency to be adopted is UK Pounds Sterling.

Bases of Valuation

The Red Book recognises four bases of value:

- Market Value
- Market Rent
- Existing Use Value
- Fair Value
- Projected Market Value.

The acknowledgement letter will specify the basis to be adopted, together with any assumptions amending the definitions. The definitions of these terms are set out at the end of this document. These bases will apply unless stated to the contrary.

Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume:

- that except for any defects specifically noted in our report, the property is in good condition;
- that no construction materials have been used that are deleterious, or likely to give rise to structural defects;
- that no hazardous materials are present;
- that all relevant statutory requirements relating to use or construction have been complied with; and
- that any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.

We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

The Valuer will have regard to the apparent state of repair and condition of the property but will not carry out a building survey nor inspect those parts of the property which are covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition.

Ground Conditions And Environmental Risks

Unless provided with information to the contrary, our valuation will assume:

- 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;
- that there are no archaeological remains on or under the land which could adversely impact on value;
- that the property is not adversely affected by any form of pollution or contamination; and
- that there is no abnormal risk of flooding.

We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

Title And Tenancies

We shall rely upon information provided by you 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.

Tenant Status

Although we reflect our general understanding of a tenant's status in our valuation, we will make no detailed enquiries about the financial status of tenants. We will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting.

Planning And Highway Enquiries

We shall make informal enquiries or web based enquiries of the local planning and highway authorities and also rely on information that is publicly published or available free of charge, where appropriate. 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.

Floor Areas And Age

All measurements will be taken in accordance with the RICS *Code of Measuring Practice*, unless stated otherwise in the report. The floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. This will be stated in the report. Where the age of a building is estimated, this is for guidance only.

Plant And Equipment

We will include in our valuations those items of plant and equipment normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We will exclude 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.

Development Properties

For properties in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments, we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

Disposal Costs And Liabilities

No allowance will be made for expenses of realisation or for taxation which may arise in the event of a disposal and the valuation is expressed as exclusive of VAT or other tax that may be due on such a disposal. Mortgages and similar charges are disregarded.

Reinstatement Assessments

Unless where requested we will not provide a reinstatement assessment for insurance purposes. Should this service be required, it will be as an additional service to these standard terms.

Where it is agreed we will provide a reinstatement figure, we will calculate using the current and up to date BCIS rates (as well as our knowledge of local construction prices) which is generally accepted for insurance calculation. This will only provide a guide to reinstatement and does not provide a detailed elemental cost guide. In order to achieve that you would require a full Bill of Materials based upon a detailed specification. The figure that we will provide, and which is acceptable to insurers, will be an approximate cost based upon measurements and the building as seen. The figure will include the cost of site clearance and professional fees but exclude:-

1. VAT (except on fees)
2. The cost of alternative accommodation for the reinstatement period and
3. Any other consequential losses.

Definitions of Bases of Valuation

These definitions are reproduced from the RICS Valuation - Professional Standards (Global & UK):

Market Value

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.

Market Rent

"The estimated amount for which a property would be leased on the valuation date between a willing lessor and a 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."

Market rent will vary significantly according to the terms of the assumed lease contract. The appropriate lease terms will mainly reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Matters such as the duration of the lease, the frequency of rent reviews, and the responsibilities of the parties for maintenance and outgoings, will all impact on MR. In certain states, statutory factors may even restrict the terms that may be agreed, or influence the impact of terms in the contract.

Operational Entities

In arriving at the reported valuation of a property comprising a fully equipped operational entity our opinion of value has been arrived at in accordance with GN2 of the Valuation Standards, whereby the term 'operational entity' includes:

- i. The legal interest in the land and buildings;
- ii. The plant and machinery, trade fixtures fittings, furniture, furnishings and equipment (excluding value of consumable stock);
- iii. The trading potential, excluding personal goodwill, together with an assumed ability to renew existing licences, consents, certificates and permits.

Existing Use Value (UK Only)

'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 had each acted knowledgeably, prudently and without compulsion assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.'

Projected Market Value (for residential property only)

'The estimated amount for which a property should exchange at a date, after the date of valuation and specified by the valuer, between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

Fair Value

'The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties'.

Special instructions or departures

The Valuer will agree in writing, if appropriate, any special instructions or departures from the RICS Valuation - Professional Standards (Global & UK).

The valuation bases

Unless it is specified by law or prescribed by a legal agreement, a valuation basis must be agreed between the Client and the Valuer to reflect the purpose or purposes of the valuation. The RICS Valuation - Professional Standards (Global & UK) defines a number of valuation bases which the Valuer must use in defined circumstances unless there are justifiable reasons for departing from them or for making additional assumptions. It is important that all parties are aware of, and understand, what these respective valuation bases provide. (The Valuation Standards provide substantial commentaries on each.

NOTES FOR GUIDANCE TO CLIENTS**What are valuations and appraisals?**

A Valuation is an opinion of the capital or rental value of a property on a defined basis. It is founded upon relevant facts and defined assumptions. An appraisal provides opinion, advice and/or analysis relating to the suitability or profitability of a property for the Client's purpose, in addition to a valuation.

Defining the service to be provided

In order to ensure that Clients get valuations or appraisals which meet their needs, it is essential that the Valuer knows

the purpose for which the service is required. This enables the most appropriate valuation basis to be adopted and the report to cover the matters which are important to the Client. For this reason, and to ensure that the Valuer has the appropriate knowledge, skills and understanding, Valuers are required to seek to establish the purpose of the particular valuation or appraisal. They are obliged also to disclose any conflict of interest of which they are aware and to agree or confirm their instructions in writing before issuing their valuation reports.

A formal environmental assessment is not provided. It is necessary to agree whether the property is to be valued on the assumption that there is no contamination; or that the valuation is to reflect the contents of an environmental audit, land quality statement or similar environmental report prepared by a specialist adviser, and if so the arrangements to apply in respect of any appointment of consultants to investigate and report upon contamination and provide an estimate of remedial costs. On occasion, however, it may be necessary to confirm/agree that the Valuer will make preliminary enquiries to enable a decision to be taken as to which of the arrangements outlined is to be adopted.

Usually the report is confidential to the Client and the Valuer's consent will be required before any part of the report can be published or referred to publicly, and the Valuer's liability does not extend to third parties. It would be misleading if a valuation were relied upon by a person who knows neither the basis on which, nor the purpose for which a valuation has been prepared. For instance, a valuation for a market purpose must never be confused with an assessment for insurance purposes. The latter is usually an estimate largely of the cost of rebuilding, the former a reflection of property transaction prices.

Valuation or survey?

It is important to appreciate that a valuation is not a building survey. The Valuer will have regard to apparent defects and wants of repair and will take into account the use and nature of the property. The Valuer will not, however, carry out a detailed search for defects which is undertaken as part of a building survey, nor necessarily report the defects observed. Similarly, it is extremely difficult to check whether potentially harmful or hazardous materials or techniques have been used in the construction of a building, or have been incorporated subsequently, without an investigation, possibly including chemical analysis, by a specialist surveyor or structural engineer.

Unless additional arrangements have been made Clients should expect their Valuer's Conditions of Engagement and reports to include caveats which record that these matters have not been investigated and have been assumed not to be material to the valuation. If the Client requires not just a valuation but also some form of survey, many Valuers will be prepared to provide this and/or arrange specialist investigations if the Client so wishes. Of course, such additional work and responsibility involves a higher fee.

About the valuation service

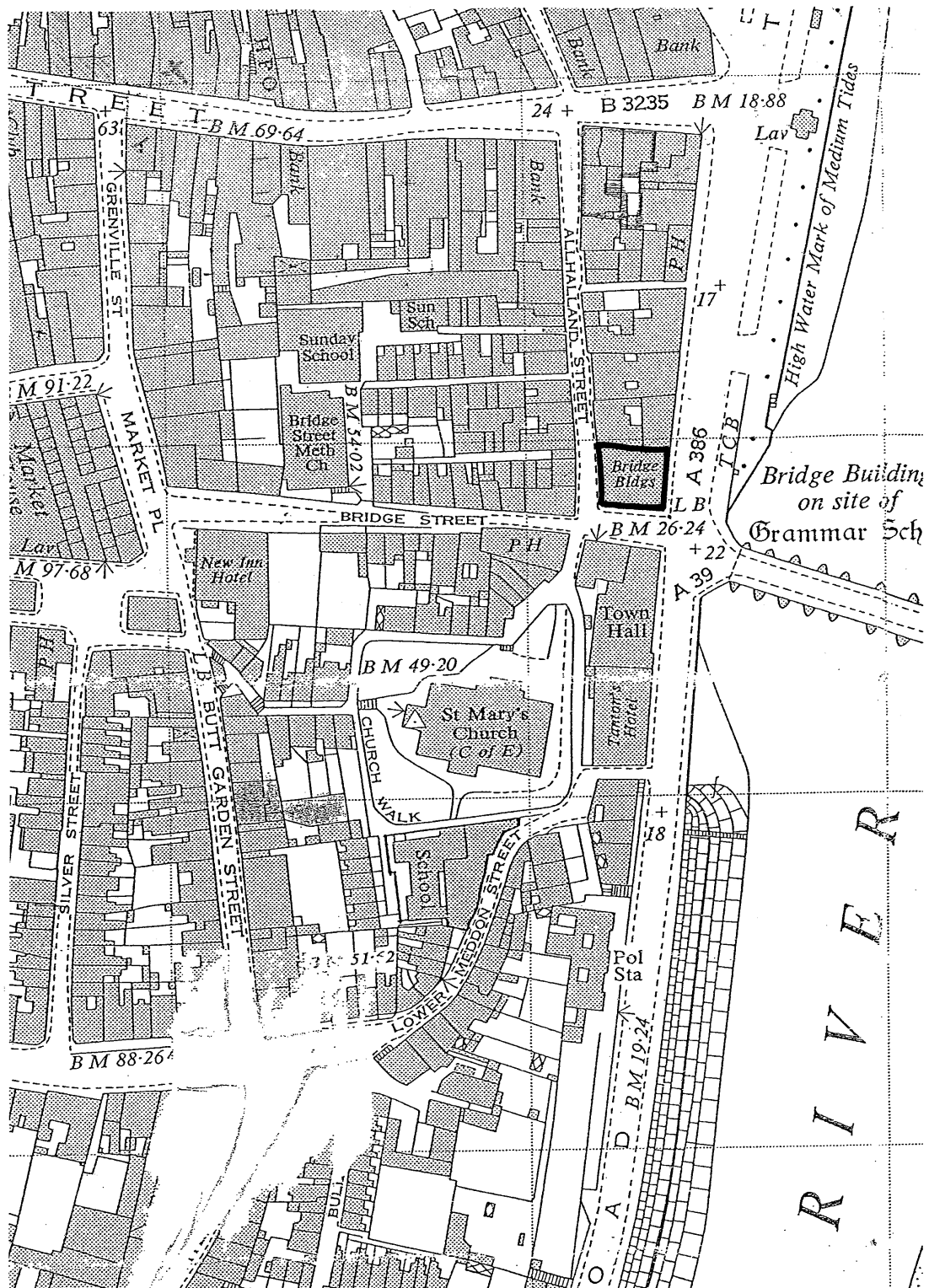
The service provided and the Valuer's report will depend upon what has been agreed is to be provided, the extent of the inspection possible or permitted, the information provided or obtained and the time allowed in which to produce the report.

Normally the Valuer will carry out an inspection of the premises and will make such enquiries and investigations as are deemed necessary. These may involve oral enquiries of the Local Planning Authority and other authorities. Although the Valuer may sometimes obtain written confirmation of details provided orally by such authorities, it will usually be necessary for the Client's solicitor to make formal enquiries. If the Client so required, the Valuer will arrange or undertake further investigations to enable written advice or confirmation to be provided on matters arising. On occasions such

investigations can lead to a revised opinion of value and additional costs.

It is possible that a Client may require a valuation based on an external inspection, in which case the Valuer must rely on information provided in relation to floor space and other matters.

The Valuer will often have to rely upon information provided by the Client, the Client's solicitor or accountant, as for example, in the case of legal restrictions or tenancy agreements or whether the valuation is by reference to accounts. The Valuer will not take responsibility for the interpretation of legal documents. There will be instances where the Valuer will need to examine copies of appropriate documents, such as leases, and where these are not available the Report will refer to the assumptions made or the information which has been provided. The RICS has laid down minimum standards of valuation reporting which its Members are required to comply with.



APPENDIX III
LOCATION PLAN

**APPENDIX V
PHOTOGRAPHS**



BRIDGE ST/QUAYSIDE ELEVATIONS



ALLHALLAND ST/BRIDGE ST ELEVATIONS