

**Market Value Report
for Land adjacent 56
Watling Street,
Tamworth, Staffs,
B77 1EJ**



Report for:
Paul Evans
Tamworth Borough Council

Prepared by:
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1. Introduction

I refer to your instructions dated 18 August and 4 September 2013 and my letter of confirmation dated 17 September 2013. The property has now been inspected and valued; hence I am pleased to report to you as follows.

This report should be read in conjunction with the VOA Standard Terms of Business, which are attached as an appendix to this report.

2. Executive Summary

The property comprises land located in an established residential area. The property inspection revealed the property to be inaccessible and overgrown.

The opinion of **Market Value** of the freehold subject property as at 16 October 2013 is £125,000.

It is envisaged that, once fully marketed, the joint property will attract interest from prospective buyers.

3. Valuation Parameters

3.1 Subject of the Valuation

The site comprises approximately 0.21ha of land for which a joint sale is proposed. The adjoining private land provides the road frontage and it is envisaged that the combined site will provide a marketable development site.

3.2 Purpose of Valuation

Tamworth Borough Council has requested a valuation of its parcel of land as part of the potential development site.

3.3 Basis of Valuation

I have had regard to the Market Value definition of Value in the RICS Red Book, however in view of the Special Purchaser nature of this transaction, with the adjoining owner being the most likely purchaser and the unlocking of marriage value that results from the merging of the two interests, I do not think that the Red Book definition applies.

3.4 Assumptions

It is assumed that all main services are available to the site and that no abnormal development costs will be encountered.

You have advised me that the only possible party to carry out a joint sale with is the owner of the frontage land. You have also advised me that the owner of 56 Watling

Street has been approached and is adamant that he does not wish to be part of any joint development. At the present time there thus appears to be only one party who has the nature of a special purchaser.

For general assumptions, please refer to Section 7 of the VOA "Standard Terms of Business" included in the appendix.

3.5 Date of Valuation

The date of valuation is 16 October 2013.

I would draw your attention to the fact that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

3.6 Date of Inspection

The date of inspection is 10 September 2013.

3.7 Extent of Survey

An inspection of the property was from Watling Street. The land is landlocked and it was not possible to gain direct access to the site.

For more detail of the extent of survey, please refer to Section 2 of the VOA "Standard Terms of Business" included in the appendix.

3.8 Tenure

Freehold with vacant possession.

3.9 Onerous Easements and Restrictions

None known. The site is, however, apparently landlocked. It is not known whether any rights of access are in existence to allow pedestrian or vehicular access to the site. There is no evidence that such access has been obtained in recent years.

3.10 Information Provided

We have assumed that all information provided by you with regard to details of tenure, and all other relevant information is correct. Advice will, therefore, be dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

4. Property Information

4.1 Situation

The site is situated adjacent to 56 Watling Street, Tamworth, but does not appear to have direct access to Watling Street.

4.2 Description

The land appears to comprise part of a disused quarry. It thus appears to be at a lower level to the surrounding land, and is currently overgrown.

4.3 Site Area

You have advised me that the land measures approximately 0.21ha (0.51ac). The adjoining frontage land which is in private ownership measures approximately 0.26ha (0.65ac).

4.4 Floor Area

N/A

4.5 Accommodation

N/A

4.6 Defects and Repair

The site is overgrown.

4.7 Services

None known, but assumed to be available.

4.8 Access and Highways

Watling Street is assumed to be an adopted highway maintainable at the public expense.

4.9 Energy Performance Certificate

N/A

4.10 Planning

No enquiries have been made. You have advised me that the Tamworth Borough Council have advised you that it is likely that only a single detached property could be built on the privately owned frontage land. The proposed scheme on the joint site showing 8 properties is understood to be likely to receive favourable planning consideration. It is assumed that there are no planning proposals that adversely affect the property.

4.11 Contamination

Not known. Japanese Knotweed appears to be present on the frontage land.

4.12 Mineral Stability

The property appears to be part of a former quarry and is also situated in an underground mining area and in view of the possibility of mine workings and the increased risk of damage from underground mining subsidence it is recommended in our Standard Terms of Business (a copy of which has been supplied) that a report is obtained from the Agency's Mineral Valuer. However as you have not requested such a report you are deemed to have instructed the Agency to assume in arriving at its valuation:

- (1) that the property valued is not at the date of valuation affected by any mining subsidence and will not be so affected in the future, and
- (2) that the site is stable and will not occasion any extraordinary costs with regard to Mining Subsidence.

You hereby accept that the Board of HMRC for and on behalf of the Agency and its employees cannot, in these circumstances, provide any warranty, representation or assurance whatsoever to you or any third party as to the mineral stability or otherwise of the subject property valued and you hereby agree to waive any claim which you might otherwise have had against the Board, the Agency or any of their employees for negligence or breach of contract arising from any loss or damage suffered as a result of the fact that the Agency's valuation on your specific instructions, is to take no account of any matters which might reasonably be expected to have been disclosed by an Underground Mining Subsidence Report.

5. Valuation

5.1 Valuation Methodology

Comparable evidence has been considered. I have also considered the potential value of each interest in the absence of a joint scheme; the marriage value resulting from combining the interests and the likely negotiating strengths of the two parties. I have assumed that the negotiating strengths of the parties will result in a 50/50 split of the marriage value resulting from the merger of the two interests.

5.2 Comparable Evidence

A plot with planning permission for two semi-detached houses is currently available in Kiln Way, Polesworth, Warwickshire. Each property has a GIA of approximately 76 sqm (820sqft) and would also have a garage. The guide price is £100,000.

A single plot at Common Lane, Polesworth, is available at a guide price of £55,000. The plot measures 330sqm and has planning permission for the construction of a four bedroom detached house.

The former Park Inn at Kettlebrook Road, Tamworth was sold by Punch Taverns in November 2012 for £275,000. The site was advertised as being 0.29ha (0.72ac). Tamworth Borough Council sold an additional amount of land to Walton Homes for £44,000 in November 2012. It is assumed that the assembled site is the subject of the planning permission to construct 10 dwellings. (Total site cost £319,000; average plot cost £31,900)

5.3 Opinion of Value

I am of the opinion that the current market value of the freehold/long leasehold interest in the land adjacent to 56 Watling Street is **£125,000. (One hundred and twenty five thousand pounds).**

5.4 Market Commentary

The market is still fragile, with the difficulty in obtaining finance being a factor for both developers and potential purchasers of property. However, properties at the right price are attracting interest. The likely effects of various government initiatives to stimulate the market, particularly for first time buyers, are as yet unclear.

5.5 Potential Methods of Disposal

I understand that you have spoken to the adjoining owner about a joint sale by means of private treaty. This appears to be reasonable way of establishing the level of interest in the market.

6. General Information

6.1 Costs of Sale or Acquisition

It is assumed that both parties to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation that may arise on disposal.

6.2 VAT

It is understood that this transaction is not one to which VAT is applicable and the stated opinion of value has due regard to this fact. In the event that this understanding is found to be inaccurate, the valuation should be referred back for reconsideration.

6.3 RICS Professional Standards / Status of Valuer

The valuation is compliant with the International Valuation Standards and has been prepared in accordance with the current edition of the RICS Valuation Professional Standards. If agreed departures from these Standards have been required in accordance with any instruction received from you, these will be specifically identified and detailed in this report.

In accordance with RICS requirements it is confirmed that the valuation has been carried out by a RICS Registered Valuer who has the appropriate knowledge, skills and understanding to undertake the valuation competently.

The valuation has been carried out by myself in the capacity of an external valuer.

6.4 'Disclosure of any Material Involvement'

DVS has no previous involvement with the property.

6.5 Publication

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

6.6 Responsibility

The valuation report should only be used for the purpose stated therein, and no responsibility is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

6.7 Validity

This report remains valid for 3 (three) months from its date unless market circumstances change or further or better information comes to light, which would cause us to revise our opinion.

6.8 Exempt Information

You may wish to consider whether this report contains Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006.

7. Recommendations / the Next Steps

7.1 Summary of key issues / value for money

If the subject land is landlocked then its value apart from the proposed joint sale is nominal. If it could be linked in with the nature reserve at the rear it could have some value as amenity land. The monetary value in this site is thus unlocked by means of the marriage value from its joining the frontage land.

7.2 Negotiations. Any recommended negotiating points

I understand that you have already discussed a potential split of the net sale proceeds. Marketing the site is the best way to establish who is currently in the market to purchase the land and the level of interest will affect the ultimate sale price.

8. Further Property Services

DVS can also provide the following further services in connection with this proposal:

- Details of local marketing agents
- Environmental Assessments
- Planning Enquires
- Development Appraisals

We trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further, as above.



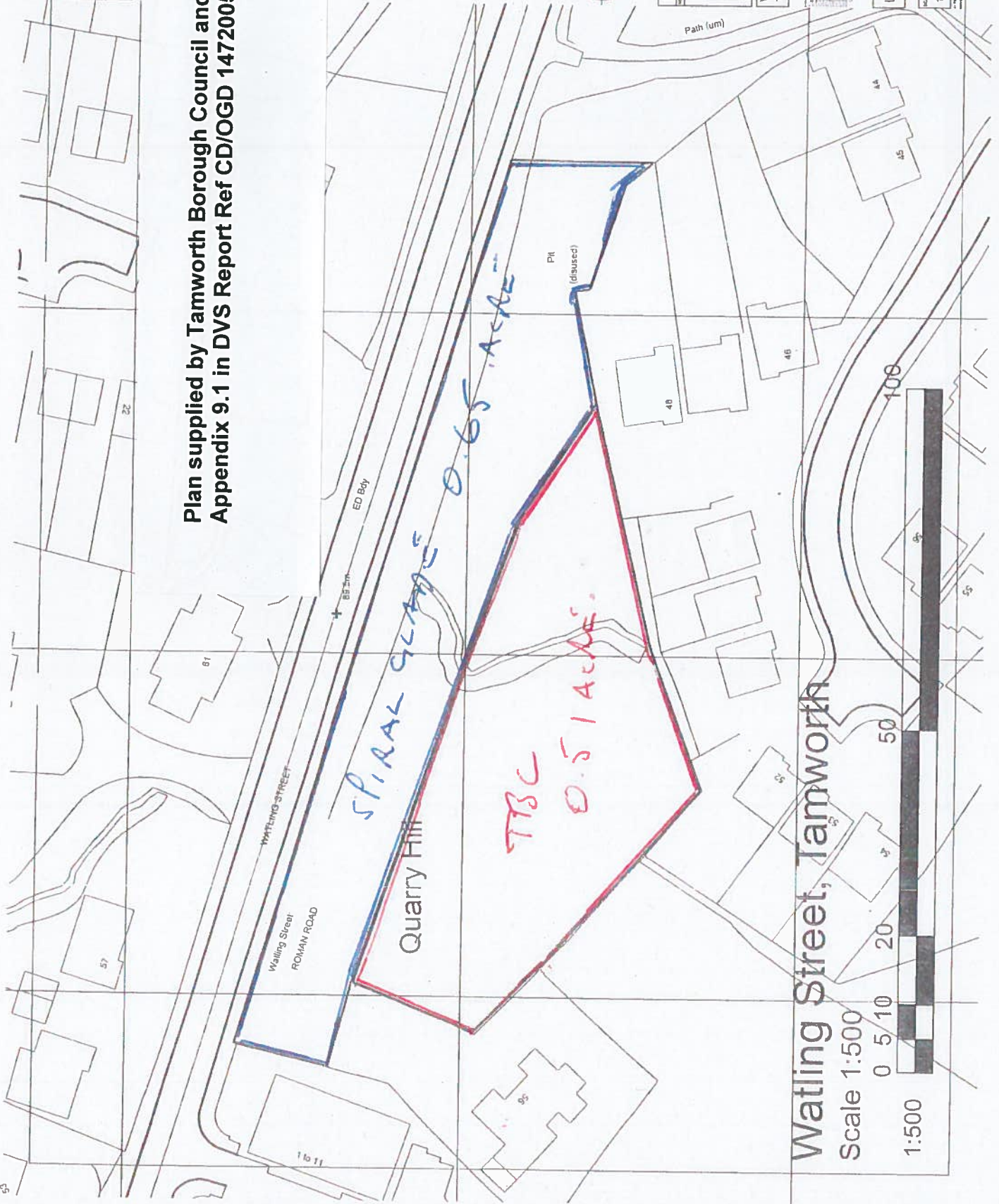
Craig Davies
Senior Surveyor
RICS Registered Valuer
DVS

9. Appendices

APPENDIX 1

The Author is hereby notified that the information contained in this plan is for the use of the planning authority only. The information is not to be used for any other purpose without the written consent of the Author. The Author is not responsible for any loss or damage caused by the use of this plan for any purpose other than that for which it was prepared.

Plan supplied by Tamworth Borough Council and attached as Appendix 9.1 in DVS Report Ref CD/OGD 1472005



REVISIONS	DATE

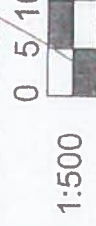
WATLING STREET,
TAMWORTH

RITCHIE RITCHIE LTD
Architecture & Design
100-102, High Street, Tamworth, B77 1AA
Tel: 01827 522222 Fax: 01827 522221

LOCATION PLAN	
SCALE	1:500
CITY	MAY 12
DATE	IR/IMH
JOB No	7152.100

Walling Street, Tamworth

Scale 1:500



1:500

9.2 Photographs



Access to 56 Watling Street and frontage land



Frontage land from Watling Street

9.3 VOA Standard Terms of Business

THE VALUATION OFFICE AGENCY – DVS

DVS is the property services arm of the Valuation Office Agency

STANDARD TERMS OF BUSINESS FOR VALUATIONS

This document details the standard terms upon which the Valuation Office Agency will provide valuations and will be referred to when instructions are confirmed for each case. Any specific variations from these standard terms which are required and have been agreed for a case will be captured in the confirmation of instructions document. The two documents are to be read together as a single document. Any variations subsequently agreed following the initial settlement of terms must be agreed before the report is delivered.

We are pleased to discuss variations and to arrange the provision of extended or additional services such as consultancy, building and other surveys and contamination reports.

The current edition of the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards apply to the majority of valuations, but you may instruct the agency to depart from these standards where necessary and any such departures will be detailed in the report. Any variations will be dealt with on a case specific basis.

Valuations undertaken under the current edition of the RICS Valuation Professional Standards are also considered to comply with the International Professional Standards.

1. Inspection and Investigations

Such inspection of the property and investigations as the Valuer decides is professionally adequate and possible in the particular circumstance will be undertaken, unless you instruct otherwise. Where valuations have to be made on restricted information, the nature of the restrictions will be agreed between the parties.

2. Survey

No detailed site survey, building survey nor inspection of covered, unexposed or inaccessible parts of the property will be undertaken, nor the services tested and the Valuer will have regard to the apparent state of repair and condition, assuming those parts not seen are in good condition. No responsibility can therefore be accepted for identification or notification of those defects that would only be apparent following such a survey or inspection. If the Valuer decides further investigation to be necessary, separate instructions will be obtained from you.

The Agency's Building Surveyors can undertake building and many other surveys subject to a separate fee.

3. Minerals

If the property is situated in an underground mining area where there is a risk of damage from underground mining subsidence a report from the Agency's Mining Specialists is normally obtained, unless the client instructs otherwise.

This report would be subject to a separate fee.

4. Basis of Valuation

The basis on which the valuation is to be carried out will be stated in the Confirmation of Instructions letter. If you have any query on the nature or appropriateness of the basis this should be raised immediately with the Valuer.

The bases most often used are defined below; unless otherwise stated these are taken from the current edition of the RICS Valuation Professional Standards.

4.1 **Market Value (MV)** VS 3.2 defines MV 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."*

4.2 **Market Rent (MR)** is based on the definition of Market Value and is the basis to be used when valuing on a rental basis when lease terms are not known or provided to the Valuer. VS 3.3 provides that valuations based on MR shall adopt the definition settled by the International Valuation Standards Committee, as follows:

"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."

4.3 **Existing Use Value (EUV)** is to be used only in connection with the valuation to fair value of certain public sector assets for inclusion in IFRS based Financial Statements. It is defined at UKVS 1.3 as:

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

4.4 **Existing Use Value for Social Housing (EUV-SH)** is to be used only for the inclusion in Financial Statements of housing stock held by registered social housing providers for social housing. It is defined at UKVS 1.13:

"Existing use value for social housing (EUV-SH) is the estimated amount for which a property 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 – subject to the following special assumptions that the property will continue to be let by a body pursuant to delivery of a service for the existing use:

- (a) at the valuation date any regulatory body, in applying its criteria for approval, would not unreasonably fetter the vendor's ability to dispose of the property to organisations intending to manage their housing stock in accordance with that regulatory body's requirements;*
- (b) properties temporarily vacant pending re-letting would be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession; and*
- (c) any subsequent sale would be subject to all of the above special assumptions."*

4.5 Depreciated Replacement Cost (DRC): International Accounting Standards stipulate that DRC may be used as a method for reporting the Market Value of Specialised Property in Financial Statements. It is defined at para.2.3 of GN6 as:

"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

It is also used as a Basis of Valuation in UKGAAP based accounting and the parties should agree in which context it is being used.

4.6 Value of Plant and Equipment to the Business (VPEB) is used for the valuation of plant and equipment for inclusion in Financial Statements. UKVS 1.11 defines VPEB as:

'An opinion of the price at which an interest in the plant and equipment utilised in a business would have been transferred at the valuation date, assuming that:

- (a) the plant and equipment will continue in its present use in the business;*
- (b) there is adequate potential profitability of the business, or continuing viability of the undertaking, both having due regard to the value of the total assets employed and the nature of the operation; and*
- (c) the transfer is part of an arm's length sale of the business wherein both parties had acted knowledgeably, prudently and without compulsion.'*

4.7 Where the Valuer is aware of the possibility of Special Value attaching to property arising, for example, from the physical, functional or economic association with some other property, the basis of valuation may be modified and a Special Assumption added to reflect the relevant circumstances. Any Special Assumptions necessary will be agreed before the report is issued. Special Value and Special Assumptions are defined in the current edition of the RICS Valuation Professional Standards.

5. Planning

When it is relevant to the valuation, enquiries may be made at the Valuer's discretion of the Local Planning Authority as to the planning status and potential of the property. A brief statement of the outcome or assumptions made will be included in the report.

6. Machinery and Business Assets (Plant and Machinery)

Unless otherwise instructed (e.g. if undertaking a plant and machinery valuation) valuations will normally exclude machinery and business assets (e.g. process plant, machinery and equipment) except where it is considered to be an integral part of any building or structure and essential for its effective use, i.e. building services installations which are normally included in valuations of land and buildings.

The Agency's Machinery and Business Assets Valuers can value your process items subject to a separate fee.

7. Assumptions

When reporting, except where the report text indicates otherwise, the following assumptions will normally be made which the Agency will not verify as part of the valuation process unless they are prima facie incorrect or unreasonable:

- that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
- that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing;
- 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 construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant;
- that inspection of those parts that have not been inspected would neither reveal defects nor cause material alteration to any valuation;
- that all information provided by you with regard to the purpose of the request and details of tenure, tenancies, planning consents and all other relevant information is correct. The advice will therefore be dependent on the accuracy of this information and should it prove to be incorrect or inadequate the basis or the accuracy of any valuation may be affected;
- that no environmental assessment of the property will be provided to or by the Agency, nor is the Agency instructed to arrange consultants to investigate any matters with regard to contamination or presence of radon gas. It will be assumed that the property (including its site) and neighbouring properties are free of radon gas and not contaminated and no search of contaminated land registers will be made.

However if an inspection is made and obvious signs of contamination are visible this will be reported to you and further instructions will be requested from you. In such circumstances it is recommended that further investigations are undertaken.

The Agency's Environmental Specialists are available to undertake assessments subject to a separate fee.

- that there has been no recent flooding affecting the property or that any representation of the property on any map identifying possible flood occurrences will have no effect on value. (This should not be taken as implying a guarantee that flooding can never occur).
- that no access audit will be undertaken to ascertain compliance with the Equality Act 2010 and that the premises are compliant.

The Agency's Building Surveyors can undertake such audits subject to a separate fee.

- in the case of trading related properties the Valuer will assume that all licences, fire certificates and permissions required to operate the business will be transferable to a purchaser.

8. **Validity**

Current valuations, i.e. those agreed with you as being required as at the date of the report, are subject to a validity period, normally of 3 or 6 months, and this will be stated in the report. Reliance should not be placed on the valuation beyond that period, nor if further or better information relevant to the valuation comes to your attention, without reference back to the VOA for an updated valuation.

9. **Fees**

The Confirmation of Instructions letter will state the basis of fee payable for the case concerned, unless already agreed elsewhere with you. Our fees are payable by our client within 30 days from the receipt of our invoice whether or not the amount is disputed or is being passed on to a third party for reimbursement. The VOA reserves the right, subject to prior notification of details of time spent, to invoice at suitable points during the financial year for work in progress undertaken but not yet formally reported. Where a case is cancelled before completion, our fees will be calculated on a 'work done' basis with added reasonable disbursements unless alternative arrangements have been agreed.

10. **Publication**

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.

11. Responsibility

The valuation report should only be used for the purpose stated therein, and no responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

12. Commercial Confidentiality and Freedom of Information

We will do all that we can to keep any information gathered or produced during this assignment confidential. The Freedom of Information Act 2000 or Environmental Information Regulations 2004, and subordinate legislation, may apply to some or all of the information exchanged between yourself and the Valuation Office Agency under this engagement. Therefore the Valuation Office Agency's duty to comply with the Freedom of Information Act may necessitate, upon request, the disclosure of information provided by you unless an exemption applies.

The Valuation Office Agency undertakes to make reasonable endeavours to discuss the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, with you prior to responding to any third party requests. However, the Valuation Office Agency reserves the right to comply with its statutory obligations under the Act in such manner as it deems appropriate.

The Valuation Office Agency requires you to make all reasonable endeavours to discuss with us the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, prior to your responding to any third party requests for information provided to you by the Valuation Office Agency.

13. Previous Involvement

The VOA will check that there is no conflict of interest and disclose any previous material involvement with the property or state that there has been no such involvement.

14. Quality Assurance, Complaints Handling Procedure and RICS Regulation

It is confirmed that the valuation will be carried out by a RICS Registered Valuer who has appropriate knowledge and the skills and understanding to undertake the valuation competently.

The VOA operates a rigorous QA/QC system. This includes the inspection by Team Leaders of a sample of work carried out during the life of the instruction together with an audit process carried out by experienced Chartered Surveyors upon completion of casework. This includes a feedback cycle to ensure continuous improvement.

The Agency has a comprehensive complaints handling procedure if you are not getting the service you expect. If you have a query or complaint it may be best to speak first to the person you have been dealing with or their manager. If you remain dissatisfied you should be offered a copy of our brochure "Our Code of Practice on Complaints". If it is not offered to you, please request a copy or access it on our website www.voa.gov.uk.

It is possible that the RICS may at some stage ask to see the valuation for monitoring purposes.

15. **Currency**

Unless otherwise stated, all prices or values are stated in pounds sterling.