

Our ref: PAB/Val/WessexHseDrakeAveStaines

Owen
Isherwood

3rd December 2024

Dan Lynch 2E0HKS
Operations Director
ML&S Martin Lynch & Sons Ltd
Wessex House
Drake Avenue
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Dear Daniel

STAINES WESSEX HOUSE, DRAKE AVENUE, STAINES UPON THAMES TW18 2AP

1 Instructions

- 1.1 Our instructions are to provide you with a Report and Valuation of the current open market of the freehold interest and the current open market rental value of Wessex House, Drake Avenue, Staines Upon Thames TW18 2AP. The valuations are required for pension purposes.
- 1.2 Our instructions were confirmed on the 27th November 2024 by Mr Daniel Lynch, Operations Director of ML&S Martin Lynch & Sons Ltd who occupy the property.
- 1.3 The property was inspected by Peter Bellion, MRICS, RICS Registered Valuer and Director of Owen Isherwood on the 3rd December 2024. We confirm the Surveyor has the knowledge, skills, and experience to provide an open market Valuation Report relating to properties of this type and nature.
- 1.4 The Valuation Report has been prepared in accordance with the RICS Valuation-Global Standards 2022 (The Red Book) by a Valuer acting as an external Valuer as defined within the Red Book.
- 1.5 The property has been valued to market value which is defined as follows:

Market Value

- 1.6 The estimated amount for which an asset or liability should be exchanged 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.

2 Location

- 2.1 The property built in approx mid 1980's comprises a detached warehouse on the southwestern side of Drake Avenue, a small industrial estate with buildings in similar commercial use of varying ages, predominantly built in the late 1950's and early 1960's. Drakes Avenue is a private cul de sac road off Gresham Road which runs parallel with the mainline railway to the east of the property. There is rear access to the station from Gresham Road.

Staines town centre is less than a third of a mile northwest of the property. The mainline station provides a fast and frequent service to London Waterloo in approx 30 minutes.

- 2.2 The A3044 provides access to the M25 approx 5 miles to the north. Heathrow Airport is just under 10 miles to the north east.
- 2.3 In Appendix 1, there is a Title Plan of the property.

3 **Description**

- 3.1 The comprises a detached property of steel frame construction with brick/block elevations and pitched profiled roof covering. A solid concrete ground floor and first floor. The windows are metal casement with double glazing. The roof has solar panels.
- 3.2 The ground floor has two entrances, one for goods and the other main entrance to the ground floor showroom and first floor office. The ground showroom and sales office have suspended ceilings with inset translucent panels with LED lighting, with fully carpeted floors. The internal floor height of the showroom and sales offices is 2.72m. Air conditioning cassettes are wall mounted at ceiling height. There are ladies and gents toilets and small kitchen in the showroom area. There is an internal lift to the first floor.

The dispatch area and main warehouse have solid concrete floors finish with painted internal block walls, surface mounted strip lights. The internal height floor to underside slab in this section is 3.38m. The windows have security grills and a roller shutter door on the inside of the dispatch area entrance.

- 3.3 The first floor is arranged as four main areas with a small private office accessed from the main stairs with separate toilet facilities for ladies and gentlemen. The offices are used as storage areas, a repair workshop and kitchen/staffroom. Fully carpeted floors, suspended ceiling with inset air conditioning cassettes and LED light panels. Metal casement double glazed windows. To the rear of the repair workshop is a fire escape. The floor to underside suspended ceiling is 2.34m.



Front of property



Side elevation

- 3.5 The property is in good internal decorative condition. The building has a central heating system from a gas fired Potterton boiler located in the kitchen.
- 3.6 There are a total of 10 car spaces with the building, 7 to the front of the building and further 3 spaces to the side of the property.
- 3.7 There are further photographs of the property in Appendix 2.

4 **Accommodation**

- 4.1 We have undertaken an internal inspection of the property and set out the floor areas for the building calculated on a Gross internal basis in accordance with the RICS Code of Measuring Practice (6th Edition). The floor area for the property is as follows:

| Description | sq ft | sq m |
|--|--------------|--------|
| <u>Ground Floor</u> Showroom/Office/Kitchen | 2,710 | 251.73 |
| <u>First Floor</u> Offices (4) | 2,790 | 259.23 |
| Total Building | 5,500 | 510.96 |

5 **Condition**

- 5.1 We have not carried out a structural survey, nor have we tested any of the services in the property. We have assumed that no deleterious materials have been used in the original construction of the property. Accordingly, we are unable to report that the property is totally free from any defects. However, it was noted from our inspection that the property is in reasonable decorative condition.

6 **Services**

- 6.1 We understand that mains drainage, mains water, gas and electricity are connected to the property. The property also has solar panels on the roof.
- 6.2 We have not made any enquiries with the various utility bodies and none of these services have been tested. For our valuation report, we have assumed they are fit for purpose and compliant with associated legislation.

7 **Planning & Statutory Enquiries**

- 7.1 The property is in an area administered by Spelthorne Borough Council.
- 7.2 We have made enquiries via the Spelthorne Borough Council Planning Portal and confirm that we are not aware of any planning applications or consent, either in hand or in contemplation, that would adversely affect the market values reported.
- 7.3 The Environment Agency Flood Risk Assessment shows the property has a low risk of less than 0.1% each year of flooding from Rivers and the sea. The risk of surface water flooding is high when rainwater cannot drain away through normal drainage systems.
- 7.4 The property has an Energy Performance rating of D77 which expired 13th February 2023. The EPC recommends several changes to improve the property's energy efficiency including, introduce secondary glazing to some windows which have high U values, add optimum start/stop to the heating system and consider replacing heating boiler with high efficiency boiler. We would recommend obtaining an updated EPC as some of the recommendations may have already been undertaken.

8 **Rating Assessment**

- 8.1 We have obtained details of the current Rating Assessments from the Valuation Office Agency website and details of the current entry 2023 rating list is as follows:

Workshop & Premises £67,500 RV

8.2 The Uniform Business Rate for the financial year 2024/2025 has been set at 54.6p in the £.

9 Tenure

- 9.1 We are advised that the property is freehold and was subject to a lease dated 4th August 2015 originally granted for a term of 10 years from the 6th November 2014. The lease is full repairing and insuring with upward only rent reviews every 3rd anniversary. It contained tenants only break clause on the 4th of August 2020.
- 9.2 The lease excluded the security of tenure provisions of the Landlord & Tenant Act 1954, sections 24-28. The current rent is £55,000 per annum exclusive.
- 9.3 In assessing the open market value of the freehold interest we have assumed a similar lease will be created to the current tenant ML & S Martin Lynch & Sons for a term of 10 years from the 6th of November 2024.
- 9.4 It is assumed the lease will contain a tenant's option to break at the end of the 5th year and include upward only rent reviews every 3rd year anniversary.
- 9.5 The lease to allow the tenant to assign the whole subject to an AGA and certain financial conditions to be provided to the landlord's satisfaction. The underlet of the whole is allowed provided the underletting is at open market rent approved by the landlord.
- 9.6 As part of this report we have assessed the open market rental value in the new lease to be in order of **£71,500 (seventy-one thousand five hundred pounds)** per annum exclusive.
- 9.7 Our opinion of rental value is based on a rate of £13.00 per sq ft compared to the recent letting at Oades Industrial Estate Egham of 2,362 sq ft unit at a rent of £14.40 per sq ft. Other units on the same Oades Estate are available at quoting rents of £15 per sq ft. In Staines a new industrial warehouse development called Causeway Central Lovett Road is proposed. A building of 28,808 sq ft is available at a quoting rent of £21.00 per sq ft.
- 9.8 In Hounslow, on the Maple Grove Business Centre, Lawrence Road a unit of 7,025 sq ft with first floor office of 2,335 sq ft was sold freehold for £2.25 million with vacant possession. Another unit of 4,934 sq ft as a two-storey business unit was also sold for £1.25 million in Dec 2022.

10 Market Value

- 10.1 We have been instructed to provide an open market value of the freehold interest in Wessex House Drake Avenue Staine TW18 2AP subject to a new lease at the rental of £71,500 per annum exclusive being completed to ML & S Martin Lynch & Sons Ltd as set out above.
- 10.2 In order to provide an open market value we have carried out an investment valuation approach for the subject property based on the current open market rent and applying an appropriate investment yield to arrive at the market value.
- 10.3 The valuation date for the purposes of the report is the date of inspection, 3rd December 2024. Since the middle part of 2023 we have seen the property market affected by the continued rise in base interest rates, uncertainty surrounding higher inflation, higher energy costs for tenants, the combined impact has affected the ability for investors and owner occupiers to finance the purchase of property.
- 10.4 We have considered a current credit report from Credit safe on the tenant which shows the tenant is a low financial risk. We have reflected this credit rating in our freehold valuation on the property and on the assumption the new lease is in place as outlined above.

- 10.5. Taking all factors into account in our opinion the open market value of the freehold interest with a new lease in place to ML & S Martin Lynch & Sons Limited at the rental of £71,500 pax is fairly reflected in the sum of **£1,000,000 (one million pounds)**.
- 10.6 The report is provided for the stated purpose and for the sole use of the named client and his/her professional advisors. The Valuer accepts responsibility to the client alone and the report has been prepared with skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than the client.
- 10.7 Any such parties rely upon the report at their own risk. Neither the whole nor 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.
- 10.8 Any verbal information received or used in the preparation of the report will not have been verified in writing, we, therefore, reserve the right to amend our valuation figures should written confirmation not accord with such information.

We trust this report meets with your requirements, but should you require any further information or clarification, please do not hesitate to contact this office.

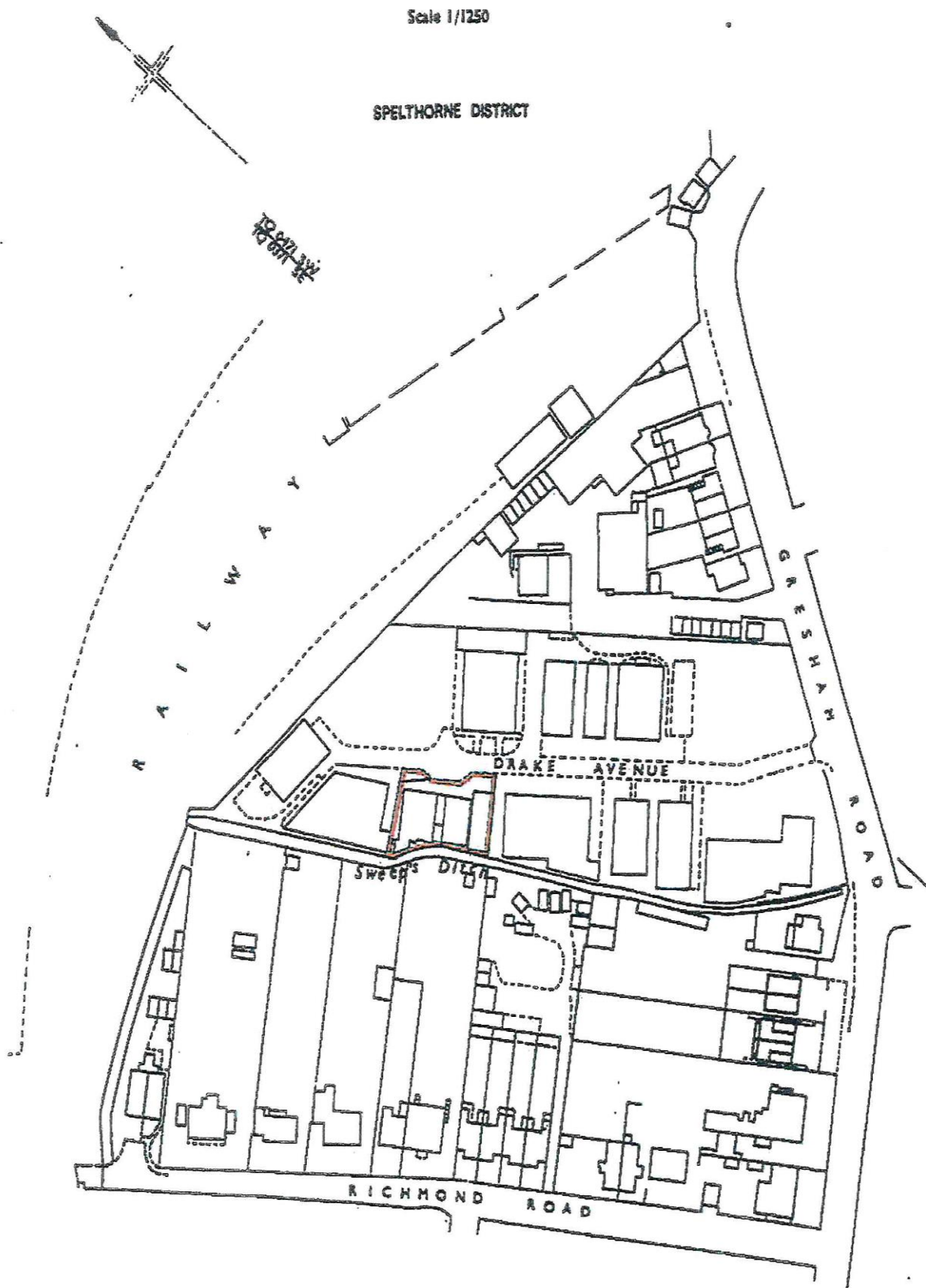
Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Bellion', with a stylized flourish at the end.

Peter Bellion, MRICS
Registered Valuer
For and on behalf of
Owen Isherwood Limited

APPENDIX 1

Title Plan for the Property

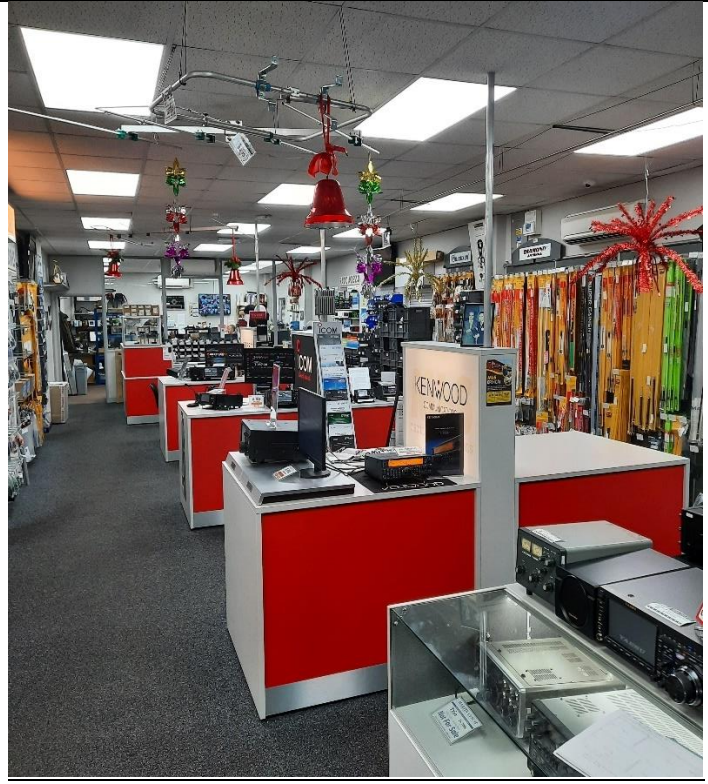


APPENDIX 2

Further photos of Wessex House Drake Avenue Staines



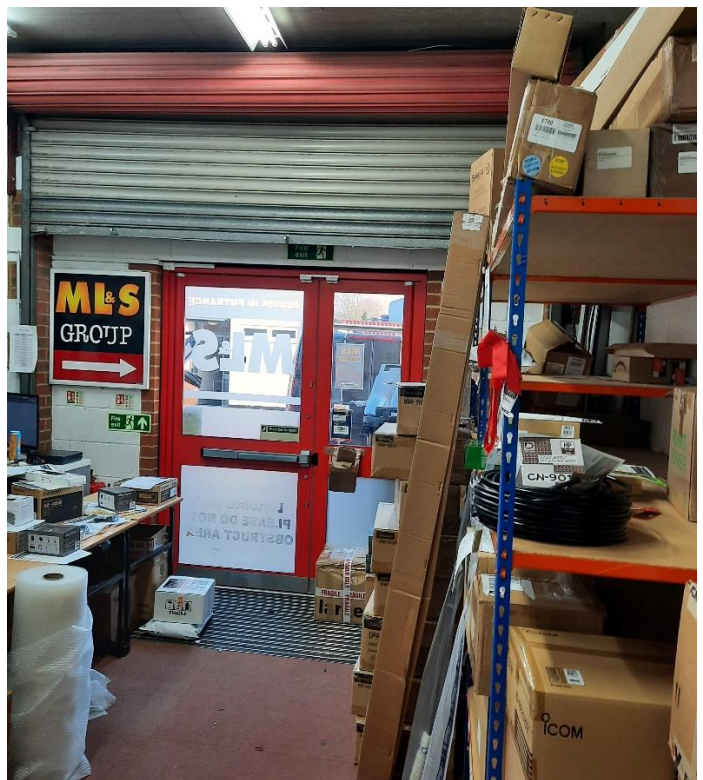
Ground floor Showroom



Ground Floor Showroom



Lift in Showroom



Dispatch Area



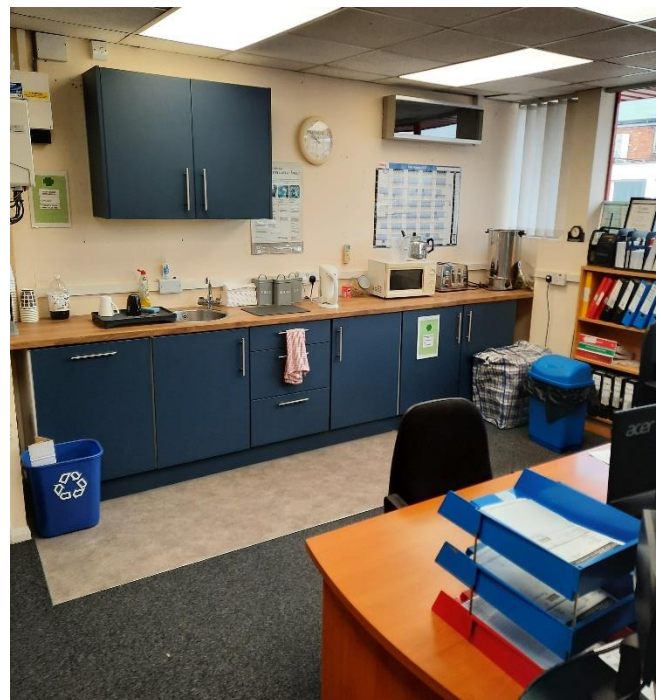
Workshop First Floor



Ground Floor Storage



First Floor Office/Store



Kitchen/Staff First Floor