

VALUATION REPORT

1. ADDRESS OF PROPERTY

Stirling House
44 Richmond Road
Kingston
Surrey
KT2 5EE

2. CLIENT

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

3. TYPE OF VALUATION

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

4. DATE AND EXTENT OF INSPECTION

The property was inspected on 6th July 2018 by the Valuer. The inspection was of both the interior and the exterior, the exterior inspection being from street level.

5. WEATHER

The weather at the time was fine and dry.

6. TENURE

The property which comprises essentially the ground and first floors is held by the Client within a pension scheme on a 999 year lease from 13 March 1997 and is subject to three commercial occupational leases which are summarised in Appendix D. The Freeholder is a related party. The second floor comprises 4 flats which do not form part of the long leasehold interest and therefore do not form part of this Valuation. We have not seen a copy of the 999 year lease.

7. DESCRIPTION

The property comprises a three storey terraced building believed to have been constructed about 60 years ago. The adjacent properties are of differing ages and constructions styles. The property has been extended at the rear to the boundary. The property is set on a level site. See photographs in Appendix B

8. LOCATION

Richmond Road is located in Kingston town centre just outside of the main shopping core but very close to the mainline station. The street comprises a mixture of retail, restaurant, educational and leisure uses. The upper floors of properties are similarly a

mixture of office and residential uses. The area is currently subject a large scale development close by on the former gas holders site now being developed primarily by Berkeley Homes for residential properties. A location plan is included in Appendix C

9. ACCOMMODATION

The property has been measured on site and using our site measurement together with the dimensioned plans provided we have calculated the following approximate net internal areas:

Ground Floor

Retail	197.32 sq m	2,124 sq ft
Storage	44.62 sq m	480 sq ft
Rear Warehouse	112.47 sq m	1,211 sq ft

First Floor

Front Suite	107.65 sq m	1,158 sq ft
Rear Suite	112.35 sq m	1,209 sq ft

The Ground Floor retail unit is generally open plan with a number of store rooms off the sales area and to the rear a single storey extension provides warehouse style accommodation. As can be seen from the floorplan in Appendix C there are a number of structural walls within the unit. To the southern flank wall there is an open courtyard area.

The first floor offices are approached from a street door on the southern end of the frontage. There is a small hallway and off this is a refuse store. The single staircase provides access to the offices and the flats (not included in this Valuation) above.

The common areas and staircase are practical and functional and of a basic standard. The first floor offices are divided into two suites by demountable partitioning. Both suites benefit from good natural light. There are male and female toilets on the first floor shared by both office Tenants. Photographs are included as Appendix B

10. CONSTRUCTION

The part of the property fronting Richmond Road has elevations clad in brickwork to the front and rear. The property has a flat roof but access was not available to inspect the type and condition of the covering. The Ground Floor rear extension has a pitched roof incorporating a flat central section. Internally the roof trusses of the rear section are exposed.

The ground floor has an aluminium framed shop front. Internally the shop has been fitted out by the Tenant. The suspended ceiling and surface mounted older style fluorescent lights are dated.

11. CONDITION

The structure appears to be generally in reasonable order for its age. Damp staining from water ingress was noted in the ground floor rear. We were informed that the leak that caused the issue has been repaired. It was not possible to inspect the flat roof of the main building from street level. We note that there is a sinking fund to cover roof repairs. Internally the common staircase is in fair order but has basic functional finishes. The offices are in good decorative order, though some of the partitions are older style. The shared toilets are also generally in fair order but dated.

The external decorative condition of some of the timber framed windows is poor.

12. SERVICES

We understand that all mains services are available to the property. We have assumed them to be serviceable and compliant but we have not tested any installation. Both floors benefit from central heating. The first floor offices share a single gas fired central heating boiler.

13. ROADS AND RIGHTS-OF-WAY

Richmond Road is an adopted highway and the property is accessed directly from the road. We are not aware of any adverse access or rights of way issues affecting this property.

14. PLANNING

From the Kingston upon Thames website we note that there are a number of consents relating to the ground floor shop, replacement of the shop front and signage. We also noted that consent for change of use to D1 for educational purposes was granted on 25 February 2011. This was applied for without Landlord approval by a prospective Tenant who did not take occupation. The consent was therefore never taken up and the use remains as offices. Consent for the extension of the first floor offices and construction of the flats at second floor level was granted on 7 April 1982. We have assumed that the property is used in accordance with authorised planning uses.

15. RATEABLE VALUE/COUNCIL TAX

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

Ground Floor Shop & Premises:	Rateable Value	£35,250
First Floor Front Offices:	Rateable Value	£14,500
First Floor Rear Offices:	Rateable Value	£14,250

16. GENERAL

- (a) Conflict of interest: We confirm that we have no conflict of interest in respect of this valuation.
- (b) Contamination: There is no evidence to suggest that the land is likely to be included on any register of land subject to contamination etc, nor is there contaminated land in the vicinity as far as we are aware.
- (c) Marketability: We consider that the long leasehold interest is a saleable investment of interest to other small pension schemes or possibly to developers for conversion to residential use, outside of a pension fund holding.
- (d) Current and future market conditions: Market conditions for fully let investments have been relatively strong in recent years and property continues to be attractive while interest rates remain low.
- (e) Permanent fixtures of a specialist nature: There are no permanent fixtures of a specialist nature affecting our valuation.
- (f) Alternative uses: It is not considered that there is a more valuable alternative use for this property whilst it is held within the pension fund.

17. VALUATION CONSIDERATIONS

In preparing a Valuation of this property we have taken into account that it is a long leasehold interest and comprises part only of the property. The Tenants are of limited covenant and the unexpired term of the leases is relatively short. 3.75 years in respect of the retail unit and 4.33 years in respect of the offices.

We are informed that whilst the Tenant of the ground floor shop unit is currently paying the rent, there are historic arrears that are unlikely to be recovered. We are also informed that the Tenant of the first floor Front formerly occupied the entire floor but was obliged to surrender and take a lease of the front suite as they were unable to sustain the rent of the entire floor.

18. VALUATION

We are of the opinion that the Market Value of the long leasehold interest in the property as at 6 July 2018 and subject to the occupational leases is **£600,000 (SIX HUNDRED THOUSAND POUNDS)**.

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

REPORT PREPARED BY:



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(REGISTERED VALUER)

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