



# VALUATION REPORT



**1 CLIFTON MEWS  
BRIGHTON, EAST SUSSEX  
BN1 3HR  
(TWO GB LIMITED)**

**FOR**

**PROPLEND SECURITY LIMITED**

**GJ SURVEYING AND MANAGEMENT  
32 QUEENS ROAD  
BRIGHTON  
EAST SUSSEX  
BN1 3YE**

**23 JUNE 2021**



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## EXECUTIVE SUMMARY

### 1 CLIFTON MEWS, BRIGHTON, EAST SUSSEX BN1 3HR

- **LOCATION** – Situated in a mainly residential location just to the north of Brighton retail city centre less than half a mile and a similar distance west of Brighton railway station.
- **DESCRIPTION** – A purpose-built 3 storey office building within a gated Mews style development with a mix of other similar office buildings and some residential accommodation. The property is let on Licence agreements to 7 no. office occupiers with a degree of shared facilities.
- **BASIS OF VALUATION** – Freehold subject licence agreements. Market Value in accordance with the Royal Institution of Chartered Surveyors (RICS) Red Book.
- **MARKET VALUE (subject to the existing licenses in place)**  
**£960,000 (Nine Hundred and Sixty Thousand Pound)**
- **MARKET VALUE (subject to the existing licenses in place) assuming a sale to be completed in 90 days.**  
**£910,000 (Nine Hundred and Ten Thousand Pound)**
- **MARKET VALUE (with full vacant possession)**  
**£960,000 (Nine Hundred and Sixty Thousand Pounds)**
- **MARKET RENT**  
**£69,000 per annum exclusive**
- **CURRENT PASSING RENT**  
**£122,340 per annum inclusive**
- **SUITABILITY FOR BANK LENDING SECURITY**  
The property was fully occupied at the date of inspection and will provide suitable lending security.



- **SWOT ANALYSIS**

- |                      |   |  |
|----------------------|---|--|
| <b>Strengths</b>     | – | Secure gated facility with 2 parking spaces.<br>Demand has been reasonably resilient for smaller office suites.<br>Central location close to Brighton railway station and retail centre. |
| <b>Weaknesses</b>    | – | Potential adverse effect on the property market due to the Coronavirus pandemic and uncertainty of current market rents/values.  |
| <b>Opportunities</b> | – | Purchase adjacent property to expand office provision.<br>Potential to convert to residential subject to costs and consents.   |
| <b>Threats</b>       | – | The continuing impact of the Coronavirus and the continued process of the UK negotiating its trading relationship with the European Union.   |

23 June 2021

Proplend Security Limited  
20-22 Wenlock Road  
London  
N1 7GU

Our Ref: SDL/slg  
Your Ref: SB

Dear Sir

**PROPERTY: 1 CLIFTON MEWS, BRIGHTON, EAST SUSSEX BN1 3HR**  
**APPLICANT: TWO GB LIMITED**

## INTRODUCTION

In accordance with your recent instructions, we have now inspected the aforementioned subject property comprising a three-storey end of terrace office building with a view to advising you of our opinion of the market value of the freehold interest held in the same. The purpose of our valuation and appraisal is in connection with the Bank considering secured lending on this property.

The date of valuation is, subject to caveats, the date of this report. The valuation provided is based on full vacant possession of the subject property.

We confirm that our valuation has been carried out in accordance with the RICS Red Book. The inspection of the property and this report has been undertaken in accordance with your standard Panel Instructions and instructions specific to this valuation attached at Appendix V. This report should also be read in conjunction with the Assumptions and Caveats attached at Appendix IV.

Simon D Lawson MRICS inspected the property on 23 June 2021 and has completed the Valuation. He has relevant qualifications and experience in valuing properties of this type.

We confirm that Mr Lawson is a Registered Valuer under the RICS Registered Valuers scheme.



We can confirm that as far as we are aware no conflicts of interest exist either personal or in relation to this Company in respect of the provision of this Report and that Professional Indemnity Insurance on a per claim basis is available in respect of the services provided.

We have accepted these instructions as External Valuers.

## 1.0 LOCATION

- 1.1 The property is Situated in a mainly residential location just to the north of Brighton retail city centre less than half a mile and a similar distance west of Brighton railway station.
- 1.2 The property is in a reasonably modern Mews development with a gated access off the north side of Clifton Hill and is situated to the rear of residential properties in Clifton Hill.
- 1.3 The main retail areas of Western Road and Churchill Square covered shopping centre is within walking distance to the south as is Queens Road which leads in turn to Brighton mainline railway station.
- 1.4 There is good public transport links both from the station and with bus services from Western Road and Queens Road.
- 1.5 There is on-street parking within the surrounding roadways mainly controlled by resident parking permits and/or pay and display.
- 1.6 Road transport is the A259 east/west coast road and the A23 out of the city to the north which leads onto the M23 to London and Gatwick and then the M25 Orbital Motorway Network.
- 1.7 Train services from Brighton are to London/Victoria in approximately 1 hour and Gatwick Airport in 44 minutes and with services east and west along the coastway route.
- 1.8 The Brighton and Hove conurbation lies on the South Coast approximately 50 miles directly south from central London. The City of Brighton has a residential population of approximately 250,000 and has a catchment population of some 500,000 within 10 miles and boasts two universities, The Lanes, the Royal Pavilion, the i360 and the Brighton Palace Pier, which is the UK's second most popular free tourist attraction. The conurbation benefits from improved road communications with the A23, being dual carriageway to the M23 (18 miles to the north) and the motorway network beyond. Regular rail services run to London, Gatwick International Airport (approximately 28 miles to the north) and to London Victoria Railway Station in just under 1 hour.  
  
Brighton and Hove is the South Coast's most popular leisure destination attracting in excess of 5 million people annually including tourists, conference delegates, day-trippers and foreign students.
- 1.9 A plan showing the general location of the subject property is attached at Appendix I.



## 2.0 DESCRIPTION

(see photographs attached at Appendix II)

- 2.1 The property comprises a 3-storey end-of-terrace building constructed, we would anticipate, in the 1980's.
- 2.2 The property forms part of a terrace of 5 similar buildings all similarly sold on a Freehold basis and occupied as office accommodation.
- 2.3 To the first floor both front and rear there is access onto balcony areas via timber and glazed doors with asphalt covering to the rear and timber decking to the front. We noted the timber work to the front is showing signs of deterioration and would benefit from maintenance and repair.
- 2.4 The development is a Mews style one with a gated access and, as well as the office buildings on site, there is also a residential element. The development is situated to the rear of residential properties fronting onto Clifton Hill.
- 2.5 To the front of the development there is communal vehicular parking.
- 2.6 The property is occupied on a Licence arrangement with 7 No. occupiers with a degree of shared facilities.  
  
There is a degree of inter-connection and non-exclusive use/occupation and on the ground floor the rear occupiers are allowed to pass through the front office unit for access, although on the upper two floors the front and rear occupiers use the side access doorway.
- 2.7 The site is generally level.
- 2.8 A copy of the Land Registry Title Plan is attached at Appendix I showing outlined in red the extent of the subject freehold interest. The actual boundaries on site appear to accord with the same.

## 3.0 CONSTRUCTION AND CONDITION

- 3.1 The property is of brick construction under a mansard style roof with slate coverings to the slopes and a flat crown section which we assume is membrane covered.
- 3.2 The second-floor projects slightly forward over the ground and first floors and there is a timber balcony to the first floor level front, and an asphalt decked balcony/terrace to the first floor rear.
- 3.3 The rear elevation is of similar construction. There are Velux style roof lights incorporated into the roof slopes to the front and rear.
- 3.4 Windows are stained softwood timber.



- 3.5 Internally, the floors are solid concrete to the ground floor and suspended timber to the upper floors with a mix of fitted carpet coverings with some tiled finishes and vinyl coverings to the kitchen and wc's.
- 3.6 Walls are plastered and emulsion paint decorated and there are internal lightweight partitions, some with glazed panels, dividing the floors into various rooms/areas. Ceilings are plastered with some texture coated finishes.
- 3.7 Lighting is mainly by way of surface mounted fluorescent strip style with diffusers. Heating is communal via a gas-fired boiler to hot water panel radiators with the boiler also supplying hot water.
- 3.8 Access to the upper floors is via internal staircase.
- 3.9 The communal facilities include wc's with small wash hand basins and wc's with hidden cisterns and electric water heaters.
- 3.10 There is a small, shared kitchenette on the second floor with formica work surface, base and wall cupboards and with an inset stainless steel sink unit with single bowl and drainer and mixer tap. There is a second larger kitchen on the ground floor which is not communal and has similar fixtures and fittings.
- 3.11 To the outside there is a shared parking area and it is understood that there are two allocated parking spaces per property. The parking area is brick paved finished and there is an automatic entrance gate via the driveway leading out onto Clifton Hill. Boundaries to the site are of brick and rendered walls.
- 3.12 Generally the property is in good condition it is noted there was scaffolding in place at the time of the inspection to assist in the replacement of a roof light which has been done. There are areas of external timber work that would benefit from maintenance. Generally, the buildings repair is commensurate with its age and use and should remain so with regular maintenance and repair.
- 3.13 A Contamination Site Checklist is appended to this report at Appendix VII. We will advise further should the monetary cost of dealing with subsequently revealed contamination be quantified. From our inspection we are not aware of any potential environmental issues which may impact on the subject property's market value.

#### **4.0 SERVICES**

- 4.1 The subject property is understood to be connected to all main services; mains drainage, water supply, gas and (assumed single phase) electricity. Central heating provision is by way of wall mounted radiators supplied by a gas fired boiler and additional air-conditioning units.
- 4.2 Any systems fitted have not been tested and we are not qualified to comment on their condition. We have assumed that all services are in appropriate repair.



## 5.0 ACCOMMODATION AND AREAS

- 5.1 From measurements taken at the time of inspection it is calculated the subject property comprises the following floor areas measured to net internal in accordance with the current RICS Code of Measuring Practice (6<sup>th</sup> Edition) :-

### Net Internal Area

#### Ground Floor

Front Office Suite	46.01m <sup>2</sup> (495sq ft)
Rear Office Suite	43.65m <sup>2</sup> (470sq ft)

#### First Floor

Front Office Suite 1a	39.44m <sup>2</sup> (425sq ft)
Mid Office Suite 1b	5.31m <sup>2</sup> (57sq ft)
Rear Office Suite 1c	12.84m <sup>2</sup> (138sqft)
Rear Office Suite 1d	15.51m <sup>2</sup> (167sqft)

#### Second Floor

Front Office Suite	43.22m <sup>2</sup> (465sq ft)
Rear Office Suite	31.92m <sup>2</sup> (344sq ft)
Kitchen	8.44m <sup>2</sup> (91sqft)

Total NIA to All Floors	246.34m <sup>2</sup> (2,652sq ft)
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- 5.2 From January 2016 IPMS3 replaced net internal floor area (NIA) as the standard basis of measurement for office accommodation. That said, transactions significantly continue to be undertaken based on net internal floor area and consequently we have measured, devalued our comparisons, and valued on this basis.
- 5.3 The property is suitable for its current use as offices.
- 5.4 None of the property is presently used for residential purposes.

## 6.0 TENURE

- 6.1 We have not been provided with any Report on Title. Our valuations are provided on the assumption good freehold Title can be shown and that there are no restrictive covenants, conditions, encumbrances or rights of way that might otherwise impact detrimentally on the valuations reported herein. Unless otherwise stated we have assumed the interest to be in all respects good and marketable.
- 6.2 We understand that the property is owned Freehold. We further understand that the communal areas are owned by a Freehold Management Company owned by the owners of the individual units and we would assume the owners of the residential parts. We understand that there is some form of Rent Charge arrangement within the Title Deeds whereby the owners of the various units contribute a proportion of the Management Company's costs of maintaining the communal areas ie: the car parking and entrance gate.



6.3 We can confirm that we will be prepared to comment on a Report on Title when available if this is relevant to the valuations provided and to provide revised valuations if appropriate.

## 7.0 TENANCIES

7.1 We have not been provided with copies of all the licences in place but two examples which are identical in format and we are informed by the customer that all the others are on the same format with specific details as to rent, deposit and location within the building. A brief summary of the main terms is set out below.

- 7.1.1. Licence fee – As stipulated to be paid monthly in advance
- 7.1.2. Commencement Date – From date stipulated to specific end date unless extended or terminated as detailed in the licence which varies between 3-12 months' notice, after 6 months.
- 7.1.3. Office – The office space at the building as shown edged on the plan.
- 7.1.4. Licensee obligations – To pay licence fee in advance and to keep office clean and tidy and clear of rubbish and leave in such condition.
- 7.1.5. Designated hours – 7days per week 24 hours per day 365 days per year, operational hours.
- 7.1.6. Use – B1 offices
- 7.1.7. Alienation – The licence is not assignable.
- 7.1.8. Alterations – No alterations permitted without consent of the licensor.

7.2 Otherwise the licences are on modern formats including what we would expect in an AST for office of this type. Your solicitors should however confirm that they are compliant with current relevant legislation and Regulations which we have assumed for the purposes of this report.

7.3 We have, however, been provided with a schedule of the current Licence Fees and set these out as follows:





First Floor Front Right Offices and Premises	Rateable Value £7,700
First Floor Rear Right Offices and Premises	Rateable Value £2,800
Second Floor Offices and Premises	Rateable Value £9,000
Car Parking Spaces 1-2 Unit 1 Clifton Mews Car Parking Spaces & Premises	Rateable Value £1,200

## **10.0 FIRE REGULATIONS**

- 10.1 As a result of the Regulatory Reform (Fire Safety) Order 2005 which came into effect on 1 October 2006, fire certificates are no longer issued and have been replaced with the requirement for a fire risk assessment. This replaces existing fire legislation covered by the Fire Precautions Act 1971, the Fire Precautions (Workplace) Regulations 1997/99 and the Management of Health and Safety in the Workplace Regulations 1999.
- 10.2 We do not have the expertise to advise in this respect but for the purposes of this report have assumed that no significant works are required in order to comply with this legislation.

## **11.0 EQUALITY ACT 2010**

- 11.1 The Equality Act 2010 places the responsibility on owners and occupiers to consider and not discriminate against disabled persons in both recruitment, employment and the provision of goods, facilities and services. The effect of this legislation can impact on the value of a property interest and may, depending on the use of the premises and the physical and other constraints, require that the owner or occupiers take steps to ensure that the premises are fully compliant by such means as physical alterations to the premises.
- 11.2 In connection with our valuation report, we are not able to advise whether a property complies with the requirements as outlined in the Act and the owners/occupiers/clients may require, if not already commissioned, their own access audit to consider such requirements and the implications therefrom. We are not specifically qualified to comment on the implications of The Equality Act but for the purposes of this report have assumed that no significant works are required in order to comply with this legislation.



## **12.0 ENERGY PERFORMANCE CERTIFICATE (EPC)**

- 12.1 With a few exceptions, properties within the UK require an EPC when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.
- 12.2 The 2015 Energy Efficiency Regulations, passed in March 2015, set out minimum energy efficiency standards (MEES) for England and Wales. These Regulations make it unlawful for a landlord to grant a new lease/tenancy of a property that has an EPC rating below 'E' from 1 April 2018 unless all recommended Energy Efficiency measures raised in the Recommendation Report have been carried out or the building is exempted.
- 12.3 Unless exempt with effect from 1 April 2020 the above provision will apply to all residential tenancies both new and existing.
- 12.4 From April 2023 this requirement will also extend to commercial premises where a lease is already in place and a tenant is already in occupation. Government Consultation, which closed 7 January 2020, also sets out the intention that all non-domestic privately rented buildings achieve a minimum Energy Efficiency Standard of Band 'B' by 1 April 2030, Band 'C' mentioned as a possible alternative. This minimum Energy Efficiency Standard would be subject to being deemed cost effective by way of a seven-year payback test.
- 12.5 An EPC exists on the subject property valid until 16 March 2025 confirming an Energy Performance Asset Rating of 'D' (81). We attach a copy of the EPC report at Appendix VI.

## **13.0 FLOOD RISK**

- 13.1 From our online enquiry of the Government Flood Risk website it would appear the property is located within an area at very low risk of flooding from both surface water and rivers and the sea. This means that in each year the chance of flooding of less than 0.1%. We have therefore valued on this assumption.

## **14.0 MARKET COMMENTARY**

- 14.1 The subject property is located in a good reasonably central area for its use as office accommodation. Although not an established office location it is located within a secure courtyard development with dedicated parking provision and with easy access into central Brighton and walking distance to the railway station.
- 14.2 This property is configured almost on a serviced office basis, on short-term lets on flexible terms. This type of tenure within smaller properties has proved more resilient in the office market than the larger corporate serviced office providers over the pandemic period. Like all office demand it has seen a substantial reduction over the pandemic lockdowns, but we are seeing this sector return as restrictions reduce and with more people looking to take the opportunity to set up their own business post pandemic.



- 14.3 Demand generally for office premises in the Brighton area had been strong until the onset of the Coronavirus with a limited supply. Virtually all demand halted through the first lockdown, but we have been finding an increase in demand in certain sectors, particularly those where there are self-contained suites or buildings, but at considerably lower levels than before the pandemic and with an increase in the supply of premises. There will inevitably be a more space coming to the market once pandemic protective measures have been removed but we would also expect a lift in demand once restrictions are no longer required.
- 14.4 This demand and supply change is now being reflected in somewhat lower rental levels than at pre-pandemic times but there continue to be transactions in the marketplace although fewer than pre-pandemic and Landlord's terms do need to be somewhat more flexible.
- 14.5 Available to let as individual suites in the open market or as a whole, with vacant possession we would expect a reasonable level of demand at the current time.
- 14.6 Available for sale in the open market, subject to the current leases in place at the present time it is considered that there would be a significant level of interest from both investors and owner occupiers. Although the uncertainty as to office occupation going forward post pandemic has left the investment market a little more volatile than before, the potential returns available from commercial property continues to be attractive to the investment market place.
- 14.7 The property with vacant possession would certainly prove to be attractive to both investors and also owner occupiers.
- 14.8 Pre mid-March 2020 economic conditions within the UK had generally been relatively stable albeit the actual growth in GDP figures had been below those originally predicted. The rate of inflation had also generally been stable, within accepted Bank of England parameters, and the Bank of England base rate had remained at 0.75% for over 12 months. There does remain however significant uncertainty as to the economic conditions that will prevail now Brexit is done.
- 14.9 At the present time however the outbreak of COVID-19, the Coronavirus, continues to pose significant issues both in relation to health and economics in many countries. In seeking to control the extent of the outbreak the UK Government, in line with many other countries across the world, introduced stringent controls on business opening and human movement for a stated initial period which was extended but has since been subject to stages of relaxation. The Government also introduced significant financial measures to assist businesses and employees whilst the Bank of England base rate has also been reduced twice to currently 0.1%.



- 14.10 Whilst there is perhaps no significant evidence at the present time within the public domain of the impact of this crisis on levels of market rent and market value of property (other than possibly that of the lack of market activity and of decisions to withdraw from previously agreed transactions) it is considered that there could be some adverse impact. The longer the impact of COVID-19 on imposing restrictions on 'normal life' the greater, in our opinion, the likely adverse impact on economic conditions across the world including the UK. In the three months up to and including May the UK's GDP has been recorded as falling by 19.1%.
- 14.11 It is rarely possible to predict with confidence levels of demand in the foreseeable future and indeed this has been and remains more pronounced with Brexit and indeed more recently and significantly with the Coronavirus. At the present time there is more and indeed significant uncertainty in relation to many factors that historically have acted as drivers of the property development, investment, owner occupier and letting markets. Such circumstances are unprecedented but do result in a reduced level of certainty that can be attached to valuation. As previously stated, the impact of Brexit and undoubtedly of the Coronavirus will unfold over an extended period of time, including 2021 and possibly beyond.
- 14.12 As at the subject valuation date, some of the transactions referred to in this report pre-date the onset of the Coronavirus such that they do not reflect the circumstances that presently exist. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Accordingly, we would advise you to have less confidence than usual in the probability that our opinions of value coincide with the price achievable for the subject property.
- 14.13 In respect of timescales for the letting of the subject property, if vacant and to let as presently found, we would have anticipated a period of up to 9 months would be required to obtain full occupation on a licenced basis. We consider any lettings would most likely have been for a term of 1 year on inclusive licences. Similarly, if to let as a whole or floor by floor a similar time scale would be anticipated, with licences or leases from 1- 3 years duration anticipated.

## 15.0 COMPARABLE EVIDENCE

15.1 **Rental Evidence** – Office rental evidence is generally more limited within the area in recent times, but our enquiries have revealed the following evidence we have had regard to which is both pre and during the pandemic:

15.1.1. **Second Floor, 44-46 Old Steine, Brighton** – This second-floor suite of 1,938 sq ft, within this prominent period building in a central Brighton location recently refurbished providing open-plan accommodation, partially air conditioned and with gas-fired central heating. The property was let in February 2021 to Mayo Wynne Baxter on a 10-year term at a rent of £40,698 per annum equating to £20.30 per sq ft, taking into consideration the 2-month rent free period. The rent reflects the strength of covenant of the tenant and long lease term for the current market.



- 15.1.2. **165, Dyke Road, Hove** – Within this prominently located 28,000sqft office building a small ground and lower ground floor office of 401 sq ft to the rear of the building mildly refurbished with limited natural light, was let in January 2021. The rent equated to £31.17 per sq ft for a two year term.
- 15.1.3. **1 Melville Road, Hove** – This recently completed office just south of Seven Dials in a mainly residential road comprising accommodation on 3 floors with the second floor office of 524 sq ft let in May 2021 at a rent equating to £28.63 per sq ft. The property came with one parking space per floor and we understand a short rent-free was provided for fit-out purposes.
- 15.1.4. **40 Wilbury Road, Hove** – This very small 119 sq ft office was let for a 3-year term with regular break clauses from December 2020 at a fully inclusive rent of £56 per sq ft on the ground floor of this attractive period building which is located in generally a more residential area.
- 15.1.5. **10 Queens Place, Brighton** – This period ground floor former workshop, converted to provide approximately 603 sq ft of offices located off a small side road off the London Road to the north of central Brighton. The property was let in July 2021 at a rent equating to £21 per sq ft after taking into consideration a short rent-free period.
- 15.2. **Freehold Evidence** – In terms of freehold vacant possession/investment office evidence, that directly comparable even before the onset of the Coronavirus is particularly limited. The evidence we have considered includes the following:-
- 15.2.1. **41 Church Road, Hove** – This property is located on the main retail high street in Hove and is a period building with ground floor and basement restaurant facilities with upper floors 1-4 being occupied as offices. It was sold in September 2020 for £825,000 with a passing rent of £48,000 per annum. This reflected a gross yield of 5.8%. The restaurant was let to a local business whilst the upper parts which have limited access with height restrictions is let to a consulting engineering firm, the price paid reflected £228 per sq ft freehold.
- 15.2.2. **69 Grand Parade, Brighton** – This period terraced office building of 2,377 sq ft over 5 floors plus 4-6 parking spaces, Grade II Listed was being sold with vacant possession. The property is situated in a more secondary location than the subject, was in reasonable decorative order with electric convector heating and is currently under offer off an asking price of £800,000 which would reflect £335 per sq ft.
- 15.2.3. **St. Georges Place, Brighton** – This 19<sup>th</sup> Century Grade II Listed building was sold in March 2021 for £750,000 equating to £349 per sq ft. The period terraced property, located in a poorer location but with 4 car parking spaces and in need of some decorative works, was sold for owner occupation but at the time of sale had tenants in place and the price reflected a gross yield of 5.5%.



- 15.2.4. **6 Pavilion Parade, Brighton** – This period property providing accommodation on ground and 4 upper floors has been available for well over a year on the basis of a sale and lease back transaction at a rent of £75,000 per annum on a 2-3 year term. The property is centrally located in a period building close to the Pavilion and has been marketed at 6% with limited interest.

## 16.0 VALUATION

- 16.1 The property comprises an end-of-terrace 3-storey office unit in a secure Mews location in generally a more residential area away from the core office locations but within close proximity of central Brighton and the railway station.
- 16.2 The property has been let on a serviced office type basis to 7 no. separate occupiers taking suites over the 3 storeys and when we inspected the property was 100% let on licenses which reflect an average rent per sq ft inclusive of £46.18 psf off a total income of £122,340 per annum.
- 16.3 As mentioned above, the office market has slowed during the pandemic period, but we are seeing continuing transactions of late and would anticipate as the pandemic is overcome with the vaccine rollout continuing and further activity is increased. Likewise, in the investment market, less transactions have occurred but the yield profile of commercial property, including offices, remains attractive in the marketplace for both freehold and long leasehold properties.
- 16.4 Our approach to valuation has been to consider the property as a traditional commercial investment and we estimate the current market rental value both for its existing configuration as serviced offices but also consider the open-market rental value on a more traditional commercial lease basis either as individual floors or as a complete building.
- 16.5 We have capitalised the rental income at a yield appropriate for a property of this type and style in this location and, having regard to comparable evidence as referred to above, taking into consideration the locational factors and security of income flow.
- 16.6 We estimate, having regard to the existing basis of occupation, that the net passing rent would reflect an actual income of approximately £81,500 per annum which we believe is reasonable for a building of this type let on relatively short-term licenses.
- 16.7 Having regard to the more traditional approach, assuming the office is let on commercial leases either as a whole building or as floors, we estimate the current market rent at £69,000 per annum exclusive based on a rate per sq ft of £25.
- 16.8 With regard to yields, the gross yield we have adopted in capitalising the market rent as above and having regard to evidence as referred to at 7.2%. Gross yields do not take into consideration any purchasers costs.



- 16.9 With regard to the form of inclusive rents on shorter term tenancies we have raised the yield due to the potential risks involved and current uncertainties in the market, to 8.5%. These are gross yields which do not take into consideration any purchasers costs in any transaction.
- 16.10 Subject to the foregoing and the contents of this report, we are of the opinion the **market value** of the freehold interest held in the subject property, subject to the existing licenses in place, can be assessed on values as at the date of this report in the total sum of **£960,000 (Nine Hundred and Sixty Thousand Pounds)**.
- 16.11 Subject to the foregoing and the contents of this report, we are of the opinion the **market value** of the freehold interest held in the subject property, subject to the existing licenses in place, assuming a sale to be completed within 90 days, can be assessed on values as at the date of this report in the total sum of **£910,000 (Nine Hundred and Ten Thousand Pounds)**.
- 16.12 Subject to the foregoing and the contents of this report, we are of the opinion the **market value** of the freehold interest held in the subject property, assuming vacant possession, can be assessed on values as at the date of this report in the total sum of **£960,000 (Nine Hundred and Sixty Thousand Pounds)**.
- 16.13 Attached at Appendix III is a Schedule setting out the calculation of our opinions of market rent and value expressed above. Market value and market rent may change over a period of time and the opinions of these expressed within this report may not be valid on an earlier or later date. This is particularly the case at the present time given the uncertainty of the impact of the Coronavirus and of Brexit.
- 16.14 The valuation excludes any Value Added Tax that may be payable either on disposal or acquisition or any Value Added Tax that may be payable on any passing rent. Your applicant has advised that VAT is not payable on the proposed purchase.
- 16.15 We would anticipate a reasonable marketing period to be circa 6-9 months within which to agree terms for the sale of the subject freehold interest.

## 17.0 INSURANCE REINSTATEMENT

- 17.1 For the purposes of insurance and given by way of a guide only, we would advise a current Reinstatement Cost of the subject property, exclusive of VAT, loss of rent and/or the cost of alternative accommodation and inflation during the period of the policy and of re-building of £720,000 (Seven Hundred and Twenty Thousand Pounds).
- 17.2 A formal estimate for insurance purposes can only be given by a Quantity Surveyor or a person with sufficient experience of replacement costs.



## 18.0 GENERALLY

- 18.1 We do not consider the property has any significant redevelopment or alternative use potential. We are not aware of any obvious “hope, marriage” or “special purchaser value” attached to the property at the present time or considered likely to arise in future. We are not aware of any significant development or change of use of properties in the locality which would materially affect our opinions of value.
- 18.2 In our capacity as valuers, taking into consideration factors affecting the property market and subject to the Bank’s current lending criteria for a property of this type, pre the onset of the Coronavirus we would have considered the subject property formed suitable security for loan purposes. At the present time however, there is too much uncertainty in order to advise in this respect with any confidence. Assuming appropriate and reasonable maintenance of the property, we do consider it has a useful economic life of at least 25 years. Given the current uncertainty it is possible that the Bank could experience adverse difficulties if realisation by the Bank proved necessary in the foreseeable future.
- 18.3 None of the property is currently used for residential purposes.

Yours faithfully

**SIMON D LAWSON MRICS (0085887)**  
for and on behalf of  
**GJ SURVEYING AND MANAGEMENT**

**23 June 2021**

**CHRISTOPHER J HALLS FRICS (0058222)**  
for and on behalf of  
**GJ SURVEYING AND MANAGEMENT**  
**(Countersigned)**

**23 June 2021**



# **APPENDIX I**

Land Registry Title and  
General Location Plan

**These are the notes referred to on the following official copy**

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

This official copy is issued on 14 June 2018 shows the state of this title plan on 14 June 2018 at 15:26:52. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. This title is dealt with by the HM Land Registry, Coventry Office .

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H.M. LAND REGISTRY

TITLE NUMBER

ESX135390

ORDNANCE SURVEY  
PLAN REFERENCE

TQ3004

SECTION E

Scale  
1/1250

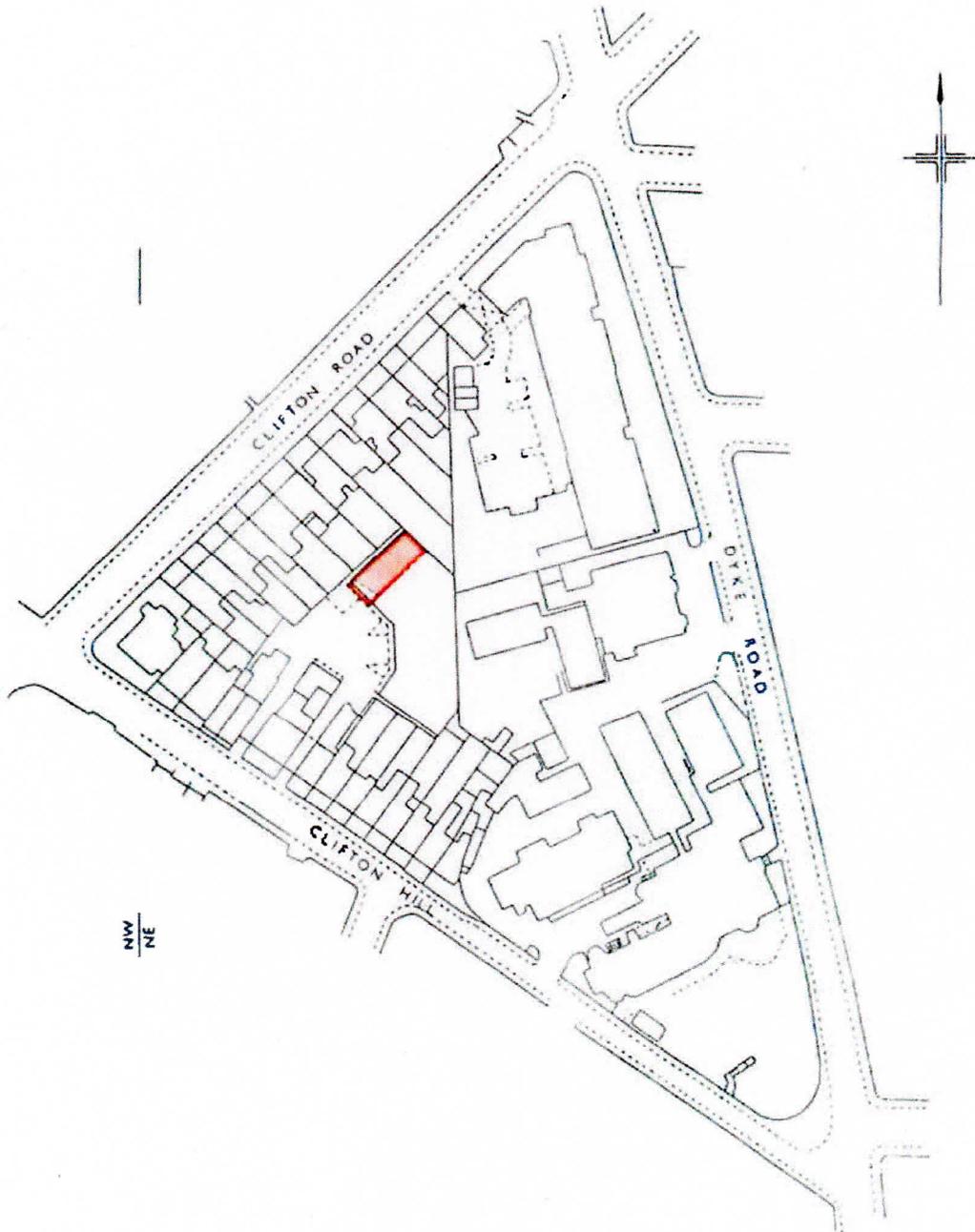
COUNTY

EAST SUSSEX

DISTRICT

BRIGHTON

© Crown copyright 19



1 Clifton Mews, Brighton, East Sussex BN1 3HR





# **APPENDIX II**

## Photographs



Front Elevation



Front Elevation



Mews Entrance



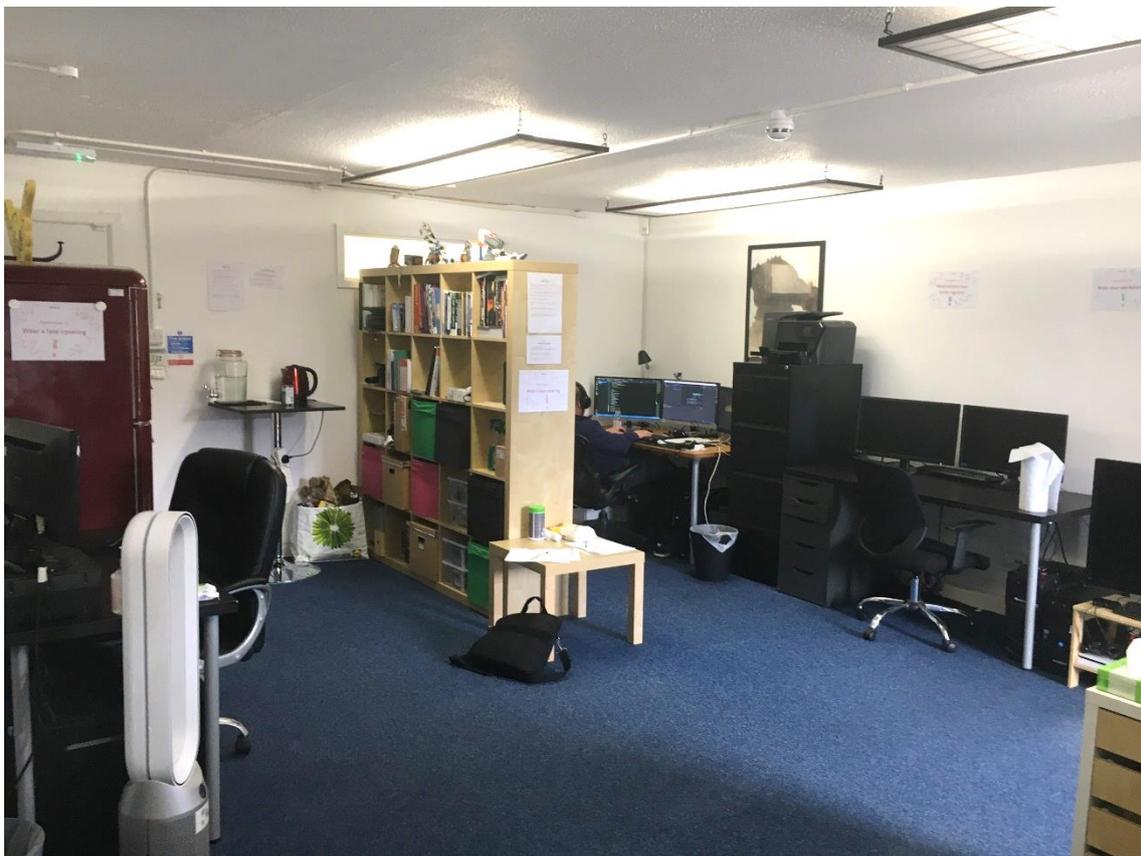
Mews Exit



Ground Floor Front



Ground Floor



First Floor



Second Floor



Second Floor Kitchenette



WC



# **APPENDIX III**

## **Valuation Schedule**



## VALUATION SCHEDULE

### 1 Clifton Mews, Brighton, East Sussex BN1 3HR

#### Market Value

Market rent 2,652 sq ft @ £25 per sq ft	£66,300
Parking secure 2 @ £1,250 per annum	£2,500
	<b>£68,800</b>
Year Purchase in perpetuity @ 7.2%	13.889
	955,563

**Market Value say £960,000**

The valuation should only be read in conjunction with the remainder of our valuation report of which this forms an Appendix and must not be relied upon in isolation.

	Currency	Sterling
Graves Jenkins Surveying and Management		23/6/2021



# **APPENDIX IV**

## Assumptions and Caveats



- i We have not had access to the Title Deeds and our valuation is on the basis of the information supplied to us as to tenure, tenancies, planning, statutory notices and other relevant information, and we have valued on the basis that this information is correct and that there are no undisclosed matters which would affect our Valuation. We have assumed that the Title Deeds and/or leases do not contain any unusually onerous restrictions, covenants or other encumbrances.
- ii The basis of our Valuation of the interest held by the owner has been carried out in accordance with the RICS Valuation – Global Standards (The RICS Red Book) effective 31<sup>st</sup> January 2020, issued by the Royal Institution of Chartered Surveyors.
- iii. The definition of Market Value used in this report is in accordance with that contained within the RICS Valuation – Global Standards (The RICS Red Book) effective 31<sup>st</sup> January 2020, issued by the Royal Institution of Chartered Surveyors, and is as follows:

“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.”
- iv. The definition of Market Rent used in this report is in accordance with that contained within the RICS Valuation – Global Standards (The RICS Red Book) effective 31<sup>st</sup> January 2020, issued by the Royal Institution of Chartered Surveyors, and is as follows:

“The estimated amount for which an interest in real property should 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”.

In valuing this property we confirm that we have valued the premises on a market value basis for its commercial and residential planning use.
- v. We have not carried out a building survey of the property, neither have the standard or mechanical services been tested. The property appears to have been adequately maintained and although not tested, the services appeared functioning satisfactorily at the time of our inspection.
- vi In the preparation of this report, we inspected those parts of the property which are covered, unexposed or inaccessible, 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.
- vii. Our enquiries have not revealed any contamination affecting the property or neighbouring property, which would affect our Valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.
- viii. We accept no liability for seepage, contamination or pollution of the site.



- ix. We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.
- x. Unless specifically requested, we do not arrange for an investigation to be carried out to determine whether or not high alumina cement, calcium chloride additive, fibrous asbestos, any other deleterious material or permanent wood shuttering has been used in the construction of this property. In addition, we have not carried out or arranged for tests to establish alkali silica reaction. We do not carry out any tests to assess whether anti-graffiti paint has been applied to any areas of the building, and specifically whether any polyurethane iso-cyanate product was a constituent of the paint.
- xi We would comment specifically on the Control of Asbestos Regulations 2012 and advise that there is/will be a responsibility under this legislation on the owner/occupiers as “Duty Holders” to comply in all respects with this legislation. This will include assessing whether the premises contain asbestos, assessing the risk from the asbestos and taking action to minimise the risk of exposure to asbestos fibres. In this respect owners/occupiers or their advisors will need to collate all appropriate details, records, etc., into an asbestos record/register relating to the property.

We are not qualified to advise as to whether or not an asbestos audit or register has been compiled nor do we undertake any asbestos audit or register as part of our normal valuation inspection. We would usually report whether our limited inspection has or has not revealed any likelihood of asbestos related issues which would affect our valuation. Should it be established subsequently that there are cost implications relating to the presence of asbestos at the property and any implications therefrom, this may reduce the values reported.

If we suspect and/or have been advised that there may be issues relating to this property arising under the Control of Asbestos Regulations 2012, these will be referred to in the general commentary within the valuation section of our report, but we are not specifically qualified to advise on the extent of any such contamination, measures taken or needed to control the risk of contamination and the cost of implications relating thereto.

- xii The Regulatory Reform (Fire Safety) Order 2005 took effect from 1 October 2006 and replaces all existing fire safety legislation in England and Wales. Fire certificates are no longer required and have no legal status. There is now a duty for the responsible person to carry out a Fire Risk Assessment and to implement its recommendations and to regularly review the same. For the purpose of this report and the opinions of values expressed herein, unless otherwise stated, we have assumed that such an assessment, if not already in place, would not identify the need to carry out works involving significant financial expenditure.



- xiii. The Equality Act 2010 places the responsibility on owners and occupiers to consider and not discriminate against disabled persons in both recruitment, employment and the provision of goods, facilities and services. The effect of this legislation can impact on the value of a property interest and may, depending on the use of the premises and the physical and other constraints, require that the owner or occupiers take steps to ensure that the premises are fully compliant by such means as physical alterations to the premises. In connection with our valuation report, we are not able to advise whether the property complies with the requirements as outlined in the Act and the owners/occupiers may require, if not already commissioned, their own access audit to consider such requirements and the implications therefrom.

The provisions of The Equality Act are wide-ranging and apply from 1 October 2010. This will cover the provision of goods, services and facilities especially directly to the public, and a service provider must take reasonable steps to remove, avoid or alter any physical feature that makes it impossible, or unreasonably difficult, for a disabled person to make use of services, or to make changes to practices or provide alternative methods, policies or procedures in the provision of such services.

We are not specifically qualified to comment on the implications of The Equality Act and if it should be subsequently established that there are cost implications relating to requirements under the Act in respect of the property, this may alter the values reported.

- xiv. We attach a descriptive report of the property inspected and valued and this should be read in conjunction with this letter. We also attach an Ordnance Survey extract drawn to a scale of 1:1250 indicating in red the approximate site boundaries and a general location plan.

The plans are provided for identification purposes only. They are intended to show the location of the building and not necessarily the extent of the formally demised areas, which can only be ascertained by reference to the Deeds.

- xv. No allowances have been made in the Valuation for expenses of realisation or any taxation liability that may arise from the sale or development of the property.
- xvi. This report is confidential to and for the sole use of the addressee and no liability to any third party is accepted in respect of the whole or any part of its contents. The report may be disclosed to professional advisors assisting in respect of the purpose of this report. Neither the whole nor any part of this report, nor any reference thereto, may be included in any document, circular or statement without our written approval of the form and context in which it appears.
- xvii. Such publication of, or reference to, this valuation report/certificate will not be permitted unless it contains a sufficient contemporaneous reference to the departure(s) from the RICS Valuation – Global Standards (The RICS Red Book) effective 31<sup>st</sup> January 2020, issued by the Royal Institution of Chartered Surveyors.



- xviii. We assume for the purposes of this report that these premises comply in all respects with all statutory provisions (including the Factories Act 1961, the Offices Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Defective Premises Act 1972, Health & Safety at Work Act 1974, the Disability Discrimination Act 1995, the Regulatory Reform (Fire Safety) Order 2005, The Equality Act 2010 and the Control of Asbestos Regulations 2012) or other appropriate Acts and that no notices are outstanding against the property at the present time.

We also assume that neither the condition of the property nor their use is in contravention of any statutory requirements.

- xix. Informal verbal and internet planning and other enquiries have been made of the respective Local and Highway Authorities and we have assumed that the information given verbally by the representatives of those Authorities is correct. In making our Valuation we have assumed that neither the existence nor use of the property gives rise to any contravention of planning or statutory regulations.



# **APPENDIX V**

## **Instruction Detail**



# **APPENDIX VI**

## **Energy Performance Certificate**

# Energy performance certificate (EPC)

1 Clifton Mews  
Clifton Hill  
BRIGHTON  
BN1 3HR

Energy rating

**D**

Valid until: **16 March 2025**

Certificate number: **0070-8919-0335-3400-0014**

## Property type

B1 Offices and Workshop businesses

## Total floor area

335 square metres

## Rules on letting this property

Properties can be let if they have an energy rating from A+ to E.

If a property has an energy rating of F or G, the landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.

From 1 April 2023, landlords will not be allowed to continue letting a non-domestic property on an existing lease if that property has an energy rating of F or G.

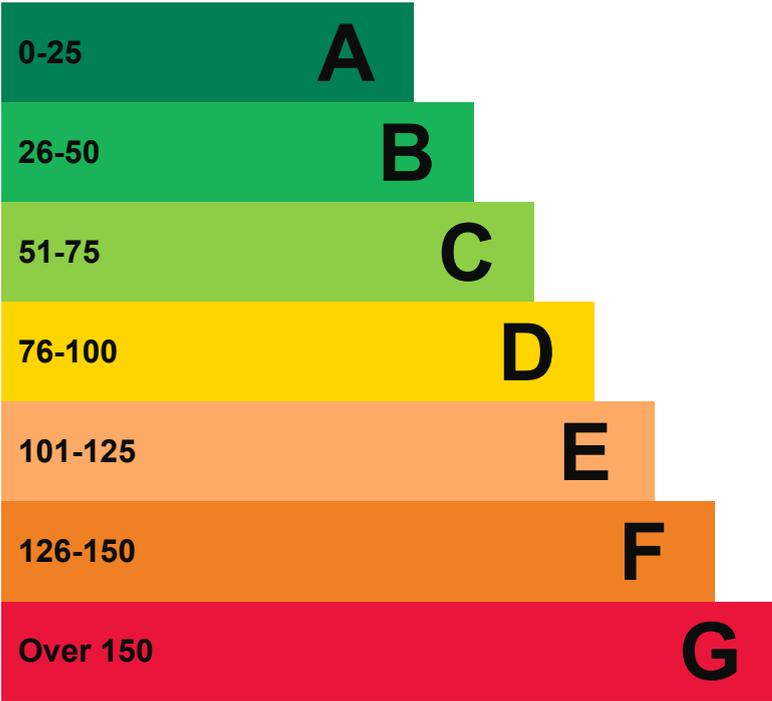
You can read [guidance for landlords on the regulations and exemptions](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/824018/Non-Dom\\_Private\\_Rented\\_Property\\_Minimum\\_Standard\\_-\\_Landlord\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf)).

## Energy efficiency rating for this property

This property's current energy rating is D.

Under 0 **A+**

Net zero CO2



81 | D

Properties are given a rating from A+ (most efficient) to G (least efficient).

Properties are also given a score. The larger the number, the more carbon dioxide (CO2) your property is likely to emit.

### How this property compares to others

Properties similar to this one could have ratings:

#### If newly built

25 | A

#### If typical of the existing stock

73 | C

### Breakdown of this property's energy performance

#### Main heating fuel

Natural Gas

#### Building environment

Heating and Natural Ventilation

#### Assessment level

**Building emission rate (kgCO<sub>2</sub>/m<sup>2</sup> per year)**54.94

---

**Recommendation report**

Guidance on improving the energy performance of this property can be found in the [recommendation report \(https://find-energy-certificate.digital.communities.gov.uk/energy-certificate/9831-4007-0153-0000-4905\)](https://find-energy-certificate.digital.communities.gov.uk/energy-certificate/9831-4007-0153-0000-4905).

**Contacting the assessor and accreditation scheme**

This EPC was created by a qualified energy assessor.

If you are unhappy about your property's energy assessment or certificate, you can complain to the assessor directly.

If you are still unhappy after contacting the assessor, you should contact the assessor's accreditation scheme.

Accreditation schemes are appointed by the government to ensure that assessors are qualified to carry out EPC assessments.

**Assessor contact details****Assessor's name**Laurence Powell

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**Telephone**07925768008

---

**Email**[epc@commercial-epc-quote.co.uk](mailto:epc@commercial-epc-quote.co.uk)

---

**Accreditation scheme contact details****Accreditation scheme**Elmhurst Energy Systems Ltd

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**Assessor ID**EES/011531

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**Telephone**01455 883 250

---

**Email**

## Assessment details

### Employer

Easy EPC

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### Employer address

12 Albion Street BN2 9NE

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### Assessor's declaration

The assessor is not related to the owner of the property.

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### Date of assessment

4 March 2015

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### Date of certificate

17 March 2015

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### Other certificates for this property

If you are aware of previous certificates for this property and they are not listed here, please contact us at [mhclg.digital-services@communities.gov.uk](mailto:mhclg.digital-services@communities.gov.uk) or call our helpdesk on 020 3829 0748.

There are no related certificates for this property.



# **APPENDIX VII**

## Contamination Site Checklist



## CONTAMINATION SITE CHECKLIST

<b>PROPERTY:</b>	<b>1 Clifton Mews, Brighton, East Sussex BN1 3HR</b>
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Record of the features observed during the course of our inspection of the property and the immediate surrounding area (where accessible).

ELEMENT	FEATURE									
	Present Y or N	Inspected Y or N	Asbestos, eg roof, lagging/ insulation	Waste/Fly Tipping/ Graffiti	Bulk Storage Tanks eg Fuel/ Chemicals Above/Below Ground	Chemicals present Storage? Secure? Bunded?	Oil/ Chemical staining present?	Irregular Topo- graphy	Vegetation Die Back	Electrical sub- station/ Pylons/ Mobile phone masts
Buildings: Occupied/ Vacant	Y	Y	N	N	N	N	N	N	N	N
Basement	N									
Hardstanding	N									
Derelict rough or open ground	N									
Agricultural Land	N									
Subterranean Features	N									
Landscaping	N									
Natural Woodland	N									
Water Course	N									
Radiation Warning Signs	N									

**Details will be provided in our report of any material observations during the course of our inspection.** (Examples may include: unbunded above ground fuel storage tanks, evidence of leaks and/or spillage of potentially contaminative substance, inadequate storage of bulk chemicals, etc.)

Signed by Surveyor:

**(Simon Lawson MRICS)**

Date of Inspection: 23<sup>rd</sup> June 2021

Our Ref:

SDL/slg