

Valuation Report

Freehold Premises

Date of Valuation:
13th September 2022

Valuation of properties known as:-

Herstmonceux Service Station
Grove Hill
Hailsham
East Sussex
BN27 4JU

and

Land To The Side Of Herstmonceux Service Station
Hailsham Road
Hailsham
East Sussex
BN27 4JU

Valuation for:

Proplend Security Limited
15 Little Green
Richmond
TW9 1QH



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Note

This report was prepared in accordance with instructions provided by the addressee exclusively for the sole benefit and use by them and such other parties who have expressly in writing been given the benefit of, or permission to rely upon our work.

Executive Summary

Address	1) Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU 2) Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU
Purpose of Valuation	Loan Security
The Property	<p>The subject properties are located on the southern side of Hailsham Road, which forms part of the A271 in this location, on the south western edge of the village of Herstmonceux which is within the Wealden District of East Sussex. Eastbourne is around 10 miles (16 km) to the south and Brighton and Hove is around 24 miles (39 km) to the west.</p> <p>The property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU comprises a self-service petrol filling station comprising forecourt shop, stores, staff facilities and customer toilets as well as redundant former office space at ground floor with two large flats at first floor level each accessed separately to the rear. At a lower level to the rear the subjects also include a detached residential bungalow with small decking / garden area.</p> <p>The property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU is set immediately to the south of Herstmonceux Service Station and comprises a single storey detached industrial unit with significant yard / parking area.</p>
Accommodation	<p>Herstmonceux Service Station</p> <p>Forecourt Shop – 310.56sq.m (3,343sq.ft); First Floor Flats – 71.34sq.m (768sq.ft) and 92.97sq.m (1,001sq.ft); and, Bungalow – 104.8sq.m (1,128sq.ft).</p> <p>The overall site ownership boundary extends to a total site area extending to 0.2306 hectares (0.5699 acres).</p> <p>Land To The Side Of Herstmonceux Service Station</p> <p>Ground (reception, office, toilets, circulation, workshops) – 524.95sq.m (5,651sq.ft); Mezzanine over reception, office, toilets, circulation, workshops – 45.39sq.m (489sq.ft); and, Mezzanine over end bay – 51.48sq.m (554sq.ft).</p> <p>The overall site ownership boundary extends to a total site area extending to 0.6081 hectares (1.5 acres).</p>
Tenure	<p>We understand both properties are held freehold.</p> <p>We have not seen a Report on Title, nor been advised of any outstanding notices or disputes affecting the property.</p>
Occupational Leases:	N/A
Current Income:	N/A
Marketability	Good

Marketing Timescale 6 to 9 months

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies

We would state that at present there are no leases or tenancies in place and we have valued on the assumption that full vacant possession would be available.

1) Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

£2,500,000 (Two Million Five Hundred Thousand Pounds)

2) Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

£795,000 (Seven Hundred and Ninety Five Thousand Pounds)

Both properties combined

£3,125,000 (Three Million One Hundred and Twenty Five Thousand Pounds)

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days

1) Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

£1,750,000 (One Million Seven Hundred and Fifty Thousand Pounds)

2) Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

£595,000 (Five Hundred and Ninety Five Thousand Pounds)

Both properties combined

£2,200,000 (Two Million Two Hundred Thousand Pounds)

Market Value of the Property assuming Vacant Possession

1) Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

£2,500,000 (Two Million Five Hundred Thousand Pounds)

2) Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

£795,000 (Seven Hundred and Ninety Five Thousand Pounds)

Both properties combined

£3,125,000 (Three Million One Hundred and Twenty Five Thousand Pounds)

Estimated rental value for the subject Property

1) Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

£138,500 per annum (One Hundred and Thirty Eight Thousand Five Hundred Pounds per annum)

2) Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

£62,500 per annum (Sixty Two Thousand Five Hundred Pounds per annum)

Both properties combined

£166,500 per annum (One Hundred and Sixty Six Thousand Five Hundred Pounds per annum)

Proviso

This Executive Summary forms an integral part of our Report and Valuation dated 13th September 2022 and should be read in conjunction therewith. The opinion of value is expressed subject to the comments and assumptions set out below.

Instruction

In accordance with your emailed instructions of 24th May 2022, we have completed our inspection and research into the property described in this report which is held freehold. A copy of your letter of instruction is attached at Appendix B.

The valuation which is expressed as at the date of our inspection (13th September 2022) has been prepared in accordance with the RICS Valuation – Global Standards Effective from 31st January 2022 (the “Red Book”) incorporating the International Valuation Standards as published by the Royal Institution of Chartered Surveyors.

We have been instructed by you to prepare a Valuation (Pounds Sterling) as at the date of inspection for loan security purposes.

In reporting we are acting as External Valuers.

The Terms and Assumptions of Valuation attached at Appendix A form part of this report.

In accordance with your instructions the following basis of valuation have been adopted:

- 1. Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies;**
- 2. Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days;**
- 3. Market Value of the Property assuming Vacant Possession;**
- 4. Estimated rental value for the subject Property**

The definitions of value are attached at Appendix E.

As instructed, we have inspected the property and have also relied on information provided by Pricewatch Developments Ltd / Mr Adam Peter Charles Salvidge to provide the property valuation. The property inspection and valuation has been undertaken by John Docherty MSc MRICS and Matt Brumpton BSc (Hons), MRICS, both RICS Registered Valuers who have the relevant experience and knowledge to value properties of this type. The property inspection was undertaken on 13th September 2022.

As you are aware we have provided a valuation report to another lender in respect of this property. We can confirm we have not had any other involvement with Pricewatch Developments Ltd / Mr Adam Peter Charles Salvidge or in respect of the subject property and that there is no conflict of interest.

Our valuation is based upon the information obtained at the date of inspection. Any subsequent alterations to the property or business of which we have not been made aware, may have an adverse effect on our opinions of value.

We also confirm that we hold sufficient Professional Indemnity cover for this instruction. RICS recommends the use of liability caps to RICS-regulated firms as a way in which to manage the risk in professional work. Our aggregate liability arising out of, or in connection with, these services, whether arising from negligence, breach of contract, or any other cause whatsoever, is capped at 75% of the Market Value of the property. This clause shall not exclude or limit our liability for actual fraud and shall not limit our liability for death or personal injury caused by our negligence.

We would report as follows:

Location

The subject properties are both located on the southern side of Hailsham Road, which forms part of the A271 in this location, on the south western edge of the village of Herstmonceux which is within the Wealden District of East Sussex. Eastbourne is around 10 miles (16 km) to the south and Brighton and Hove is around 24 miles (39 km) to the west.

Herstmonceux is a small village of around 2,000 people and is situated within the “1066 Country of Origin” region which is very popular amongst day trippers and tourists. The village itself is renowned for its moated castle, set in 550 acres of parkland and Elizabethan gardens, which is approximately four miles to the south east of the subjects. In addition, the village also features the Observatory Science Centre which is an interactive science centre operating in the former home of The Royal Observatory. This is approximately 3.5 miles to the south east of the subjects. Within the wider area there are a large number of attractions attracting vehicular traffic.

In addition to the visitor attractions noted above the village is generally seen as a quiet residential settlement with there being a number of services meeting the needs of the small population to include the subject property, a small village shop, post office, pharmacy, village hall and primary school. In addition, the needs of the residents and those of the day trippers are served by some licensed premises to include The Sundial, The Brewer’s Arms and Eastern Promise Indian Restaurant.

The immediate surrounding area is rural / agricultural to the north and west with the south eastern fringes of the village immediately to the east comprising residential dwellings at an elevated level. To the rear (south) of the subjects lies former vehicle repair workshops / terraced industrial units as well as surfaced yard areas formerly occupied by a car dealership operator. Running along the south western boundary of the site, at a lower level, is a narrow body of water which flows in a south easterly direction.

The section of Hailsham Road (A271) that the subject property fronts onto comprises a two way single carriageway road subject to a 40mph speed limit. This is a trunk road connecting the village with Hailsham approximately 3.5 miles to the south west and ultimately with the Hailsham Bypass (A22) which runs connects Eastbourne with the M25 motorway to the north. The A271 runs to the east through the village of Herstmonceux and provides connections with villages such as Battle, Ninfield and ultimately Bexhill, Hastings and the A21 trunk road connecting with the M25 to the north.

As such there is a large amount of passing traffic and whilst there does not appear to be any traffic count data within the immediate location, the nearest count point to the west suggests upwards of 8,000 vehicles per day using the A271 in this location. Site visibility is good to traffic travelling in both directions with access also available to vehicles travelling in both directions.

Location plans are attached at Appendix C.

Description

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

The subjects comprise a self-service petrol filling station site which has been redeveloped from its historic use as a car sales showroom which previously sold fuel as a secondary consideration to the main purpose of the site. It now forms a mainly two storey building comprising forecourt shop, stores, staff facilities and customer toilets as well as redundant former office space at ground floor with two large flats at first floor level each accessed separately to the rear.

At a lower level to the rear the subjects also include a detached residential bungalow with small decking / garden area.

The main forecourt building is set to the northern half of the site and comprises mainly a two storey building of brick / block construction which has been rendered and painted at ground floor level and is clad with profiled metal sheeting at first floor level to the front and side elevations. The roof was not visible from ground level however is presumed to be flat. The main forecourt building extends to the side (east) into a single storey building of more basic construction which is set beneath a steel truss roof overlaid with what appears to be asbestos cement sheeting with translucent panels. This building also benefits from a wrap around profiled metal sheeting continuing the same finish seen at the first floor level of the main building.

In addition, there is a single storey section adjoining the eastern elevation of this single storey building. This appears to be of brick / block construction with timber cladding to the front elevation and a rendered and painted finish to the remaining elevations. The roof is mono-pitched and overlaid with bitumen felt or similar. Access to this building is taken via a single timber framed and glazed pedestrian door whilst there are both timber framed and glazed windows as well as modern uPVC glazed units. We understand this area was previously used as office space in connection with the historic operation as a car sales facility. This former office space comprises two externally accessed rooms of basic condition with carpeted flooring, plastered and painted walls and a suspended ceiling. At the time of our inspection these areas were both being used for surplus storage space.

Externally, the forecourt comprises a single island in-line layout, with two quad product dispensers set on a concrete pump island. There is a modern underlit canopy with approximately 3.5m clear height. The petrol forecourt is generally surfaced with concrete & tarmac to the access/egress points and in circulation areas. The main parking area is set to the western side of the site and is covered with tarmac.

The forecourt shop benefits from full height timber framed and glazed entry points and fenestrations to the front elevation with roller shutters. Proprietary signage is set above. Internally, the shop is fitted to a reasonably modern standard and is set over split levels with tile covered floors with walls being generally plastered and painted with proprietary shelves and chilled display units and the ceiling being of suspended construction incorporating LED lighting. The shop also incorporates a walk-in off-sales chiller with small store to the rear. In addition, there is limited ancillary accommodation immediately off the retail sales area which comprises an office / comms room, staff tea preparation area and staff toilet.

A link corridor provides access into the basic single storey building noted above which has been sub-divided to form customer toilets (one ladies, one gents and one disabled) and a large storeroom with external loading available via the front elevation. The storeroom area is of a basic order with concrete flooring with walls lined out with plasterboard and the ceiling exposed to the underside of the steel pitched roof. The customer toilets and access hallway is of a modern standard with tiled flooring and plasterboard lined and painted walls and ceilings. Each toilet generally comprises one WC and one wash hand basin with the disabled toilet also including handrails.

In addition to the accommodation noted above the main forecourt building includes two residential flats at first floor level, each benefitting from separate external access to the rear. Windows to the flats are a mixture of double glazed uPVC units with there also being some original timber framed single glazed units.

Flat 1 is accessed via a steel stair on the western elevation which opens onto a steel landing to the rear. A single door provides direct access into the flat which comprises kitchen, lounge, three bedrooms, one bathroom and one WC room. Flooring throughout is generally carpeted over a suspended timber base with the kitchen, bathroom and WC being tiled. Walls and ceilings are generally plasterboard lined and painted.

Flat 2 is accessed via a steel stair on the southern elevation. A single door provides direct access into the flat which comprises kitchen, lounge, four bedrooms, one bathroom and one toilet. Flooring throughout is generally carpeted over a suspended timber base with the kitchen, bathroom and toilet being tiled. Walls and ceilings are generally plasterboard lined and painted.

Set to the rear accessed off a tarmacadam access road which runs in a southerly direction off the south eastern corner of the filling station site is a detached residential bungalow. This dwelling is of brick construction set beneath pitched timber framed and slated roofs to also incorporate some flat roof extensions overlaid with bitumen felt or similar. Windows throughout are modern UPVC double glazed. The dwelling benefits from two separate access points, one to the eastern elevation and one on the western elevation.

Principal access appears to be via the eastern elevation which opens directly into a large kitchen/diner. The remaining accommodation comprises lounge, four bedrooms, bathroom and an entrance hallway adjacent to the western access door. Flooring throughout is generally carpeted over a timber base with walls being plasterboard lined and painted or papered whilst ceilings are plasterboard lined and painted.

Adjacent to the dwelling is a small timber decking area overlooking a small garden area to the south as well as a garden area to the west.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

The subjects comprise a single storey detached industrial unit with significant yard / parking area. The building is of steel portal frame construction with brick / profiled metal clad elevations and a pitched roof which is mainly overlaid with asbestos cement sheeting with sections of profiled metal cladding with integrated translucent panels. There is an integral, single storey area in the north westernmost section of the building containing a reception, office and two toilets. The remainder of the building comprises one large open plan workshop area with a partitioned small workshop in the south easternmost section of the building.

Flooring throughout the building is generally tiled over a solid base with internal walls being block lined to a height of circa 2.5m. The office, etc areas benefit from carpeted flooring (tiled in toilets) and plasterboard lined and painted walls and ceilings.

The workshop areas benefit from two separate mezzanine areas – one over the office, etc area accessed via a steel staircase – and one over the partitioned off workshop area in the south easternmost section, accessed via a timber stair from the main workshop area. Direct access to this mezzanine area from the partitioned workshop was not available. Eaves height varies from 5.25m to 5.88m.

The main workshop area benefits from five roller shutter loading doors on the eastern elevation (two of which are electric) whilst the partitioned workshop benefits from one electric roller shutter loading door also on the eastern elevation. In addition, there are multiple pedestrian access points on the north eastern elevation as well as fire escape doors on the western elevation. The area containing the reception, office and toilets also benefits from a separate pedestrian access door, set behind a metal security gate. The property benefits from double glazed uPVC framed windows within this section of the building, with an internal retractable security grille.

Within the warehouse is a substantial mezzanine floor extending to almost the full foot print of the main building. The unit has a single, manual, roller shutter loading door to the front elevation. Pedestrian access is via a uPVC door to the front elevation and the ground floor office space. There is also a pedestrian fire escape to the front elevation. Both pedestrian doors have roller shutters. There is currently no heating within the building.

Externally the property sits towards the south western boundary with a large tarmac surfaced parking area on the eastern edge of the site as well as a block and concrete surfaced area running along the north eastern elevation of the building. On the southern side of the building is an area of poor quality hardstanding. The north western side of the building comprises a concrete drainage pad which would appear to have historically been used as a car wash area with drainage / interceptors still present. There is a further block surfaced area adjacent to this former car wash area.

We also noted a timber shed to the north western side of the building as well as a derelict portacabin building to the south western side of the building and a storage container on the south western edge of the site. We also noted a marquee on the south eastern edge of the site.

Accommodation

We have measured the property in accordance with the RICS Property Measurement (2nd Edition) professional statement, which incorporates the RICS Code of Measuring Practice (6th Edition), to arrive at the following floor areas:

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

Forecourt Shop

Floor	Description	Approximate Gross Internal Area	
		sq m	sq ft
Ground	Retail sales area / sales console; chilled sales area; office/ stores; tea prep area; staff WC	188.41	2,028
Ground	Stores; customer toilets	59.83	644
Ground	Office /Cabin	62.32	671
		310.56	3,343

Flats

Floor	Description	Approximate Gross Internal Area	
		sq m	sq ft
First	Flat 1 - kitchen, lounge, three bedrooms, one bathroom and one WC room	71.34	768
First	Flat 2 - kitchen, lounge, four bedrooms, one bathroom and one toilet	92.97	1,001
		164.31	1,769

Detached Bungalow

Floor	Description	Approximate Gross Internal Area	
		sq m	sq ft
Ground	Kitchen/diner, lounge, four bedrooms, bathroom and an entrance hallway	104.8	1,128
		104.8	1,128

Based on the above measurements we would estimate that 46.42% of the total gross internal area of the property, to be given as security, is used as residential.

There is parking/ loading in the north western corner of the site fronting onto Hailsham Road with there being space for approximately 12 vehicles.

The overall site ownership boundary (shown outlined in red on the OS Extract in Appendix C) extends to a total site area extending to 0.2306 hectares (0.5699 acres).

Site density is approximately 21% based on the footprint of the main building and the bungalow. Based on the above measurements we would estimate that 11.67% of the total land area of the property, to be given as security, is used as residential.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

Floor	Description	Approximate Gross Internal Area	
		sq m	sq ft
Ground	Reception/ Office/ Toilets	44.21	476
Ground	Main workshop	387.15	4,167
Ground	Partitioned workshop	93.60	1007
Mezzanine	Over Reception/ Office/ Toilets	45.39	489
Mezzanine	Over Partitioned workshop	51.48	554
Total GIA		621.82	6,693

The overall site ownership boundary (shown outlined in blue on the OS Extract in Appendix C) extends to a total site area extending to 0.6081 hectares (1.5 acres). Site density is approximately 9% based on the footprint of the building. No part of the property is in use as residential.

We would note however that a significant amount of the land is landscaped. Our estimation of the “net” site area is 0.364 hectares (0.9 acres) which would still leave a degree of surplus at the south eastern edge of the site in particular. We would estimate this to extend to approximately 0.101 hectares (0.25 acres).

The total site area of both properties combined is 0.839 hectares (2.072 acres). Based on this we would estimate that 4.43% of the total land area of the combined properties, to be given as security, is used as residential. Site density is approximately 12% based on the footprint of the buildings.

Equipment

We are informed that the underground tank farm within the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU comprises the following.

Tank Number	Capacity	Fuel
Tank 1	18,000 litres	Diesel
Tank 2	37,000 litres	Unleaded

We understand that the tank farm is made up of a single split compartment tank that dates to the 1980s however it does have leak protection installed.

Motor fuel is dispensed via Wayne pumps which we understand were installed in April 2020 both being set on one single concrete pump island.

Condition

We have not been instructed to carry out a survey to determine the condition of the property, nor has it been inspected for this purpose. The following is merely a list of general items noted during the course of our inspection and should not under any circumstances be considered an exhaustive list of defects. If a report on the condition of the property is required we would be pleased to recommend an appropriate consultant.

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

Externally surfaces appear to be in good order with only minor wearing noted to surfaces. We would comment however that the surfaced parking area at the north western corner of the site is of a poorer standard albeit it functions well for its current purposes. In addition, we noted an area of walkway to the rear of the main building (adjacent to its south west corner) had partially collapsed and at the time of our inspection this area was fenced off. We are informed that this was historic and does not appear to be ongoing however we would recommend obtaining confirmation of any previous structural investigations.

In general, the main forecourt presents adequately commensurate with its age and use. We would however comment on cracking to the external render and staining to the rear and this area would benefit from redecoration. We also noted significant weathering / decay to some of the timber framed windows, particularly at first floor level but also to the front of the single storey office block. The single storey office is of a basic standard and as noted above, there was evidence of timber decay / weathering to the front elevation. Internally, the suspended ceilings were damaged and there was significant evidence of damp.

Internally at ground floor level the subjects again presented adequately commensurate with its age and use. The storage accommodation was of a basic but functional standard. The office accommodation was not accessible at the time of our inspection however we have assumed it to be of a basic standard but free from significant defect. The first floor flats were of a good standard having appeared to have recently been redecorated. We only noted minor wearing / scuff marks to plasterboard surfaces.

The roof over the detached bungalow had significant moss growth on the south facing roof pitch, we would assume this would be cleared as part of ongoing maintenance and repair. Internally, the bungalow also appears to have recently been redecorated and was presented to a good standard throughout.

We would estimate that the remaining economic life span of the subjects would be in excess of 20 years. This is subject to a planned programme of maintenance and cyclical refurbishment both internally and externally.

We have been provided with a copy of an Electrical Certificate Installation/Modification Certificate dated 16th April 2020 in respect of work undertaken to the commercial forecourt, namely a three phase supply for the installation of the pumps. This work was undertaken by JG Electrical Services Ltd on 14th April 2020 on behalf of Price Watch Ltd and certifies that an inspection was carried out and the results were satisfactory.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

The property generally presents adequately commensurate with its age and use. Externally, we noted significant moss and other vegetation growth on some sections of the roof and guttering as well as minor damage to rainwater fittings. Internally, we noted minor damage to flooring within the workshop, likely a result of the removal of fixed machinery. We also noted minor damage to the plasterboard wall in the office area.

The surfaced yard areas were very overgrown in parts and we would also note the drainage beneath the former car wash area would benefit from cleaning out. The external space is good for a unit of this size but the surface has deteriorated in places especially to the north and south of the building. There are heavily overgrown areas to the rear of the building and the southern boundary.

We would estimate that the remaining economic life span of the building would be in excess of 20 years. This is subject to a planned programme of maintenance and cyclical refurbishment both internally and externally.

Asbestos

Effective from 13 November 2006, the Control of Asbestos Regulations 2006 consolidated and replaced the current laws on exposure to asbestos contained in the Control of Asbestos at Work Regulations 2002, the Asbestos (Licensing) Regulations 1983 and the Asbestos (Prohibitions) Regulations 1992.

Under Regulation 4 of the Control of Asbestos Regulations 2006 there is a legal responsibility for the duty holder to manage asbestos in non-domestic premises (including common areas of flats). The duty holder is the person or organisation that has clear responsibility for the maintenance or repair of the premises either as a freehold owner or an occupier through explicit agreement such as a tenancy agreement or contract.

The regulation requires the duty holder to take reasonable steps to find Asbestos Containing Materials (ACMs) in premises and check their condition, keeping an up-to-date written record or register of the location and condition of ACMs, assessing the risk of exposure to ACMs and preparing and putting into effect a plan to manage the risk. Where any works, which might disturb the ACMs are to be carried out, a risk assessment is also required. If a survey recommends the removal of damaged ACMs, this can have cost implications as all removal works have to be undertaken by a licensed contractor.

We have been provided with a copy of an Asbestos Management Survey (relating to the buildings within the boundary of the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU only) dated 4th November 2020 undertaken by Salvum Limited on behalf of the current owner of the site, Price Watch Ltd. ACMs were identified during the survey the majority of which were identified as being at a very low potential to release fibres. However, some ACMs were identified as either being at medium or low potential to release fibres and the recommendations were to remove many such materials. The management survey was due to be reviewed in November 2021 however we have not been advised as to whether the recommendations had been acted upon.

For the purpose of this report, we have assumed that the ACM's are properly maintained and monitored to correctly manage any risk.

We have not been provided with a copy of any Asbestos Register for the property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU. Given the age of the property it is possible that ACM's have been used in the construction or alteration of the property. For the purpose of this report, we have assumed that the ACM's are properly maintained and monitored to correctly manage any risk.

Services

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

We understand that the properties are connected to mains services including water and electricity. Drainage is to a septic tank. There is no mains gas supply to the properties with the bungalow being heated via an oil fired central heating system whilst space heating within the flats is via electric wall mounted radiators.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

We understand that the property is connected to mains services including water and electricity. Drainage is to a septic tank. Space heating is via an oil-fired suspended heater.

The services have not been tested to establish if they are operational.

Site and Ground Conditions

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

The property is located on a roughly triangular shaped site which is generally level at the northern half but slopes downwards from north to south towards the southern half of the site. The northern boundary is formed by a trunk road whilst the boundary running along the south western edge is formed by an embankment which slopes down towards a narrow body of flowing water. The southern boundary is formed by a development of industrial units which were vacant at the time of our inspection however we understand they were previously used as car repair workshops. The eastern boundary is elevated and includes trees and the land beyond comprises residential dwellings and land with consent for residential we understand.

The overall site ownership boundary extends to 0.2306 hectares (0.5699 acres). We would estimate the commercial space to occupy approximately 0.1722 hectares (0.4254 acres). Furthermore, the area in commercial use has an extensive frontage onto Hailsham Road (circa 88 metres) however it is relatively narrow with a maximum width of 22 metres.

We have researched the Environment Agency's (EA) website, which indicates that the property is in an area identified as being at a very low risk of flooding. Very low risk means that each year this area has a chance of flooding of less than 0.1%.

We have researched Public Health England UKradon website which advises that the property is situated in an area where the National Radiological Protection Board states less than 1% of homes exceed the action level for Radon.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

The property is located on a roughly rectangular shaped site which is generally level although it slopes gently upwards to the north. The northern boundary is formed by the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU and the western boundary is formed by an embankment which slopes down towards a narrow body of flowing water. The southern boundary is formed by a field which we understand has planning consent for a residential development. The eastern boundary is elevated and includes trees and the land beyond comprises residential dwellings and the land with consent for residential.

The overall site ownership boundary extends to 0.6081hectares (1.5 acres). We would estimate the commercial space to occupy approximately 0.0541 hectares (0.1338 acres). The area in commercial use has no frontage onto Hailsham Road with access being taken via the adjacent site. The site is approximately 110m deep from the entry point.

We have researched the Environment Agency's (EA) website, which indicates that the properties both lie in an area identified as being at a very low risk of flooding. Very low risk means that each year this area has a chance of flooding of less than 0.1%.

We have researched Public Health England UKradon website which advises that both properties are situated in an area where the National Radiological Protection Board states less than 1% of homes exceed the action level for Radon.

Statutory Enquiries

Planning

We have made enquiries online via the Wealden District Council website.

The properties are within an area covered by the Wealden District Council (incorporating part of the South Downs National Park) Core Strategy Local Plan (adopted 19th February 2013) and the Wealden Local Plan (adopted December 1998) (Saved Policies via Direction of the Secretary of State dated 25 September 2007). Within these plans, the subject property is located outside the defined development boundary for Herstmonceux within the Low Weald landscape character area.

The subjects also lie within an area covered by the Herstmonceux Parish Neighbourhood Plan 2017 – 2027, adopted in July 2019. Within that Plan, the subjects are covered by Policy 4 (Resisting the Loss of Employment Locations). Proposals that would result in the loss of land and buildings in employment use, including those that fall within Use Class B1, B2 and B8 and Sui Generis (in a class/group of its own) will therefore be resisted.

The Wealden District Council planning portal has a significant number of planning applications recorded which we believe relate to the subject property. We have referenced these applications below dating only from 2000 onwards. For the purposes of our report and valuation, we have assumed that planning consent has been granted for the current use and that there are no restrictions or matters, which would affect such uses.

Application number: EL/201/4403

Application number: WD/2000/2689/F

Location: HERSTMONCEUX SERVICE STATION, A271, HERSTMONCEUX

Proposal: PROVISION OF NEW WORKSHOP, PREPARATION BAYS & STORAGE AREA WITH ADDITIONAL OFFICE & WELFARE FACILITIES.

Decision: Approved

Decision Date: 4th May 2001

Application number: WD/2009/0500/OH

Location: BUCKWELL PLACE, HERSTMONCEUX

Proposal: RE-CONDUCTOR EXISTING LOW VOLTAGE OVERHEAD LINE

Decision: Approved

Decision Date: 28th October 2009

Application number: WD/2000/2689/F

Location: HERSTMONCEUX SERVICE STATION, HAILSHAM ROAD, HERSTMONCEUX, BN27 4JU

Proposal: DEMOLITION OF EXISTING CAR SHOWROOM, UNUSED BUNGALOW AND ADJACENT OUTBUILDINGS AND CONSTRUCTION OF NEW CAR SHOWROOM.

Decision: Approved

Decision Date: 29th July 2010

Application number: WD/2010/0948/MAJ

Location: HERSTMONCEUX SERVICE STATION, HAILSHAM ROAD, HERSTMONCEUX, BN27 4JU

Proposal: DEMOLITION OF EXISTING CAR SHOWROOM, UNUSED BUNGALOW AND ADJACENT OUTBUILDINGS AND CONSTRUCTION OF NEW CAR SHOWROOM.

Decision: Approval

Decision Date: 29th July 2010

Application number: WD/2013/0548/AI

Location: GEO COLLINS (ENGINEERS) LTD, HERSTMONCEUX SERVICE STATION, HAILSHAM ROAD, HERSTMONCEUX BN27 4JU

Proposal: FREE-STANDING TOTEM SIGN (5.2M).

Decision: Approval

Decision Date: 13th May 2013

Application number: GF/201/0636

Location: Bungalow, Herstmonceux Service Station, Hailsham Road R, HAILSHAM, East Sussex, BN27 4JU

Proposal: Install replacement windows in a dwelling. Install replacement doors in a dwelling.

Decision: Not available

Decision Date: 14th July 2020

Application number: EL/201/2287

Location: Bungalow, Herstmonceux Service Station, Hailsham Road, HAILSHAM, BN27 4JU

Proposal: Install a replacement consumer unit. Rewire of all circuits.

Decision: Not available

Decision Date: 16th July 2020

Application number: EL/201/4185

Location: Bungalow, Herstmonceux Service Station, Hailsham Road, Herstmonceux, HAILSHAM, East Sussex, BN27 4JU

Proposal: Installation of an oil fired boiler

Decision: Not available

Decision Date: 10th September 2020

Location: Flat B, Herstmonceux Service Station, Flat B, Herstmonceux Service Station, Hailsham Road, Herstmonceux, East Sussex, BN27 4JU

Proposal: Install an unvented hot water storage vessel.

Decision: Not available

Decision Date: 16th September 2020

We have not been advised of any other outstanding conditions, applications, notices or confirmed Local Authority Schemes affecting the property.

Highways

The subject properties are accessed from Hailsham Road. We have made online enquiries and understand that Hailsham Road (A271) is an adopted highway maintainable at public expense.

Rating

We have made enquiries of the Valuation Office Agency website and we have only been able to identify one business rate assessment for 2022/2023 is as follows:

Address:- Herstmonceux Service Station, Hailsham Road, Herstmonceux, Hailsham, East Sussex, BN27 4JU

Description:- Petrol filling station and premises

Rateable Value:- £28,750

It would appear that historically the two properties have been rated as one single entity with there being a listing under Herstmonceux Service Station, Hailsham Road, Herstmonceux, Hailsham, East Sussex, BN27 1UJ with the descriptor "car showroom and premises". This entry was removed from the rating list on 24th April 2020 with the above rateable value only applicable to the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU.

We have not been able to identify a business rate assessment for the property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU.

The Non-Domestic Rate small business multiplier (rateable value under £51,000) in England for 2022/2023 is £0.499 per £/RV.

We have not been advised of the current liability, which may become subject to deferred rate payments, statutory and/or mandatory exemption, but would be prepared to advise further should clarification be required.

The detached dwelling to the rear of the forecourt shop is listed as Band C for Council Tax purposes. According to the Wealden District Council website the Council Tax payable in 2022/23 for Band C properties in Herstmonceux is £1,971.94.

Other Certificates

We have been provided with a copy of the Petroleum Storage Certificate dated 1st October 2014 and issued by East Sussex Fire Authority on behalf of East Sussex County Council. This certifies that the two tanks / compartments on site with a maximum working capacity of 35,980 may be used to store petrol.

We have been provided with a copy of the Premises Licence (WEA/LN/000024664) dated 7th April 2020, issued by Rother District Council and Wealden District Council Environmental Health department. This permits the licence holder (Pricewatch Ltd) to sell alcohol and late night refreshment.

We have not had sight of any other documents and have assumed that the property fully complies with all current Health & Safety, Environmental Health and other regulations including the certification of gas and electrical installations.

Environmental Issues

The subject premises are utilised in part as a petrol filling station and accordingly, fuel is stored in underground tanks on site. These tanks are connected to above-ground dispensers via suction lines. Petroleum Storage Regulations require regular stock checks, thus, any fuel loss which could be a potential source of contamination should have been readily identifiable by the operator.

At the time of our inspection we were made aware of the presence of Environment Agency standard monitoring points indicating a likely historic leak. The borrower has advised that his enquiries with the

former owner of the site (Collins Brothers) resulted in them advising of a small leak which had occurred when removing an old tank. Monitoring took place at six monthly periods until 2009 when it was agreed with the Environment Agency that no further action was necessary. We have been advised that there have been no incidents since then.

We have been provided with a copy of a Test Certificate in respect of the testing of suction lines in March 2020. The result of this test is certified as 'Pass'.

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

For the purposes of this Report, we have assumed that the properties are free from contamination and no allowance has been made for any remedial works that may be required. Should it be established subsequently that contamination, seepage or pollution exists at the properties or any neighbouring land, or that the premises have been or are being put to a contaminative use, this may affect the contents of this Report and the opinions of value now reported. In such circumstances we would require the opportunity to reconsider the advice contained herein.

Disability Discrimination Act

Under the DDA 1995, disability is given a wide definition incorporating most long-term and substantial impairments. Its scope is broad ranging and includes such diverse ailments as asthma, dyslexia, visual impairment and problems with mobility. Employers are under a duty to make reasonable changes to practices and procedures within the workplace to enable disabled people to do their jobs. This may extend to making physical alterations to the workplace. These provisions came into force in 1996.

Part III of the Act, which came into effect on 1 October 2004, covers the provision of goods, services and facilities directly to the public. Since this date, service providers have had to take reasonable steps to remove or alter any feature that makes it impossible or unreasonably difficult for a disabled person to make use of services.

The DDA 2005 amended the DDA 1995 to insert the disability equality duty, which is aimed at tackling systematic discrimination and ensuring that public authorities build disability equality into everything that they do. The DDA 2005 introduced new duties on property owners and managers, making it unlawful for landlords and managers to discriminate against a present or potentially disabled tenant by failing, without justification, to comply with a duty to provide a reasonable adjustment for the disabled person.

Reasonable steps must be taken to provide an auxiliary aid or service to allow a tenant who is disabled to have enjoyment of the premises. A landlord may be obliged, for instance, to allow access by a wheelchair user through an accessible alternative entrance not used by other tenants. The DDA 2005 does not require the landlord to make any physical alterations to the premises however; a landlord must not unreasonably withhold consent to reasonable alteration needed by reason of the disabled occupier's disability.

Due to the variety and combinations of limiting and disabling impairments experienced by individuals, we are unable to properly advise on matters relating to accessibility as part of this report. To ensure that the property is compliant with the requirements of the Disability Discrimination Act, we would recommend that an Access Audit be undertaken so that the principal deficiencies can be quantified. Once these are known, we would be pleased to comment on their likely impact on the property's value.

Fire Safety Regulations

Fire safety regulations to non-domestic premises have been comprehensively reformed with new regulations coming into effect on 1 October 2006. The new regulations, contained in the Regulatory Reform (Fire Safety) Order 2005, replace current fire safety regulations, which were essentially regulated by two main pieces of legislation, the Fire Precautions Act 1971 (FPA) and the Fire Precautions (Workplace) Regulations 1997 (FPWR).

Under the new regulations, responsibility for fire safety transfers from the Fire Authority to the “responsible person”, i.e. the employer, where there is one; the person in control of premises for the carrying out of an undertaking; the owner or any other person who, to any extent, exercises control over the premises.

Rather than the Fire Authority confirming what is required for compliance, the responsible person is required to undertake a fire-risk assessment, identifying the risks and putting in place appropriate fire precautions. The enforcement responsibility will however, remain with the Fire Authority, which can inspect and serve alterations, enforcement and prohibition notices. Under the new regulations current Fire Certificates cease to have any legal status.

We have not been advised as to whether a Fire Risk Assessment of the property has been undertaken, but for the purpose of this report we have assumed compliance with the regulations and that there are no outstanding matters.

Cladding

It should be noted the property and insurance industries have raised awareness in connection with cladding panels including built up panels, composite panels and other forms of cladding systems which are widely used in the construction industry for both commercial and residential properties. This has been as a result of the high risk of fire spread with certain components. As far as we have been able to ascertain the subject property contains cladding panels within its construction. We have assumed that building insurance including fire and other usual perils is available.

For the purposes of our valuation, we have adopted the special assumption that any cladding panels meet all statutory regulations including Fire and Building Regulations. In particular, we have assumed there will be no liability to the owner of the building in connection with removal, replacement or works associated with cladding panels to meet any required legislation. Should it later be shown that any works are required, or any costs are incurred then this would have a material impact on our valuation as reported unless such works were covered by the existing building insurance policy. We have specifically assumed no liability will be incurred by the freehold proprietor and unless otherwise advised our valuation is completed on this basis.

Energy Performance Certificate

Under the Energy Performance of Buildings Regulations, the Government is seeking to improve the environmental efficiency of all buildings. Most buildings that are now sold or let are required to have an Energy Performance Certificate (EPC). Public buildings require a Display Energy Certificate (DEC) which shows the operational rating of a building i.e. how much energy is used. If a public building is sold it will still require an EPC.

Under the Energy Act 2011, from 1st April 2018 the Minimum Energy Efficiency Standards (MEES) became effective. This introduced minimum energy performance requirements for all rental properties (subject to certain exclusions to be specified through secondary legislation). It is unlawful to let a property that has an

EPC rating of 'F' or 'G', until qualifying improvements have been made or an exemption certificate has been obtained.

The specific exemptions are as follows;

1. High-cost exemption – unsuitable for Green Deal Finance or costs of purchasing and installing improvements exceed a simple seven-year payback.
2. Impact on value exemption – installing the measures will decrease the capital value of the property by more than 5%
3. Unsuitable measures exemption – measures that would potentially have a negative impact on the fabric or structure of the property.
4. Consent exemption – landlords maybe unable to obtain third party consent to carry out the works e.g. from a superior landlord, planning departments, tenants, financial institutions with an interest in the property etc
5. Exemptions on grounds of recently becoming a landlord – if a person becomes a landlord under a set of prescribed circumstances, they will be exempt for a maximum of six months.

Since 1 April 2018, the regulations apply to all new lettings, sub lettings or renewals (where an EPC is in place) and from 1 April 2023 all leased properties with an EPC will need to meet the minimum requirements except in those instances where all works recommended under the Government's "Green Deal" scheme have been carried out.

We have searched the Ministry of Housing Communities and Local Government Energy Performance Certificate Register and have identified a number of EPCs for the property as follows:-

Address	EPC Rating	Date
Herstmonceux Service Station, Hailsham Road, Herstmonceux, BN27 4JU (183sq.m of floor area)	B38	22 nd January 2021
Herstmonceux Service Station, Hailsham Road, Herstmonceux, BN27 4JU (934sq.m of floor area)	D100	22 nd July 2019
The Bungalow, Herstmonceux Service Station, Hailsham Road, Herstmonceux, BN27 4JU (102sq.m of floor area)	E46	21 st January 2021

Copies of the EPCs are attached at Appendix D.

Tenure

We understand and assume that the properties are held Freehold and free from encumbrance. At the time of our inspection it appeared that the residential parts of the property were being informally occupied as staff accommodation. We have therefore assumed that in the event of a sale full vacant possession of the whole would be available.

We have not been provided with a Report on Title, nor had sight of any title documents. Other than disclosed above, we are not advised of any other notices, disputes, leases, licences, rights of way, restrictive covenants or other encumbrances affecting the title to the property.

Trading Details

The property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU trades in part as a petrol filling station. Whilst we understand that fuel has been sold from this site for a considerable number of years, until it opened in its current form in May 2020, the site was generally in use as a car sales

operation which also sold some fuel. We have also been advised that the site was originally a petrol station however this is historic and pre-dates its use as a car sales operation. The site we understand was refurbished with the forecourt shop area being modernised with a new canopy also being installed over the fuelling area.

In preparing this report we have been provided with the Audited Annual Report and Financial Statements, prepared for Pricewatch Limited for the years ended 31st October 2017 (incorporating figures for year ended 31st October 2016), 2018 and 2019 which relate to the operation of a number of petrol filling station outlets including the subject property.

Of more relevance we have also been provided with the CG Sales & GP Report for the 12 month period ending 30th August 2022 which we would summarise as follows:

Description	Trade	Margin	Profit
Fuel sales (net)	£2,087,447	8.64%	£180,368
Shop sales (net)	£646,742	27.37%	£177,039
Gross Profit			£357,407

We would estimate that the above noted fuel sales equate to circa 2m litres of fuel sold however we are advised that the existing operators chose to suspend petrol sales for several months until a vapour recovery system was installed towards the end of 2021.

We have also been provided with a similar report covering the calendar year to 5th September 2022 (247 days) which we would summarise as follows:

Description	Trade	Margin	Profit
Fuel sales (net)	£2,522,446	8.58%	£216,515
Shop sales (net)	£857,134	24.82%	£212,731
Gross Profit			£429,245

Therefore, fuel sales and consequently shop sales are already higher than for the 12 month period ending 30th August 2022 and we would assume that the site is on track to achieve fuel volumes in the region of 2.5 million litres and shop sales in the region of £1.25 million by the end of 2022. It is clear that the suspension of the sale of petrol had a significant knock on effect on the performance of the shop.

We would comment that given the prominence and location that the fuel sales and the margins appear to be reasonable. The retail shop benefits from good levels of customer parking as well as its location adjacent to a relatively affluent settlement with limited / poor quality local convenience retailing. As such, we would consider the reported shop sales as being achievable, indeed based on the estimated retail sales area this equates to approximately £5,000 per sq.m per annum. Such a sales rate is below those reported by the smaller brands within the most recent Petrol Retailers Association Market Review.

As noted above, the subject property also includes two flats above the forecourt shop as well as a detached bungalow to the rear. Each of these properties benefits from separate external access and would be capable of being let to third parties which we understand is the intention of the borrower. However, for the purposes of this valuation we have incorporated the achievable rental income in respect of the first floor flats only whilst we have apportioned a separate value to the detached bungalow as in our opinion the bungalow would present a separate marketable opportunity in the event of any disposal whereas the flats over the forecourt shop would be unlikely to be capable of being sold separately from the petrol filling station business.

Our opinion of the Market Rent of the flats is set out in our Valuation Methodology below however we would summarise our opinion here as well:-

- Flat 1 - £750PCM
- Flat 2 - £850PCM
- TOTAL - £1,600PCM

On the basis of the information provided to us, we have adopted the Following Fair Maintainable Trade levels:-

Description	Trade	Margin	Profit
Fuel sales (litres)	2,500,000pa	7ppl	£175,000
Shop sales	£1,250,000	25%	£312,500
Amazon locker rent	£1,000	100%	£1,000
Residential rental	£19,200	90%	£19,200
Gross Profit			£505,780
Fair Maintainable Operating Profit			£230,780

We have adopted the above noted levels of Fair Maintainable Trade and Fair Maintainable Operating Profit in arriving at our Opinion of Value. We have adopted industry standard margins and site operating costs due to the varying levels of profitability recorded above. We have also allowed a management cost in respect of the lettings of the residential accommodation.

We would consider the performance in terms of capital and rental values to be more volatile than normal due to the value of the subjects being heavily dependent on the business performance and the ability of the operator. The value stated below is a reflection of the trading potential of the property and therefore if the trading potential and/or the actual profits vary, there is likely to be a change in the reported value.

Should it subsequently become apparent that the motor fuel sales volumes, shop sales, rents, commissions and profit margins reported or assumed are materially at variance to the actual, we reserve the right to amend our valuation accordingly.

We understand that the petrol filling station is open between the hours of 6am and 10pm.

At the time of our inspection the pricing was as follows:-

- ULG 167.9p/litre
- DERV 184.9p/litre

The nearest competing outlets to the business are as follows

Hawkswood Service Station, Hawkswood Rd, Hailsham BN27 1UG

- Description: 2-island in-line layout, "Pricewatch Local" branded shop
- Supplier: Power
- ULG: 165.9p/litre
- Distance: Approximately 3.5 miles to the west, fronting onto A271 at junction with A295

Ninfield Service Station, Bexhill Rd, Ninfield, Battle TN33 9JB

- Description: 2-island in-line layout, “Costcutter” branded shop, H10 Tyres and car wash
- Supplier: Unbranded
- ULG: 165.9p/litre
- Distance: Approximately 5.5 miles to the east, fronting onto A269 at junction with B2204

In our opinion, competition on fuel sales is limited in this location although pricing will possibly be influenced by presence of a number of supermarket filling stations in Eastbourne comprising Asda, Tesco, Morrisons and Sainsburys. The subject property could be considered a superior site to those competing sites noted above due to the retail space available and customer parking as well as the quality of the village adjacent. Photographs of the competitor sites are attached at Appendix C.

At the date of our inspection there was no business trading from the property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU.

Market Commentary

Macro

UK GDP shrank in June by 0.6% m/m, following growth of 0.5% m/m in May. Whilst economic output overall was 0.9% above its level in February 2020, pre-pandemic, there is a growing imbalance between the regions as some struggled to get above their pre-pandemic levels. Latest opinions report the growth outlook for the UK has deteriorated. Expectations are that UK GDP growth for 2022 will average between 3.1% and 3.6% followed by two years of slow or even negative GDP growth. Analysis further predicts the UK will enter a recession as early as this year largely due to surges in inflation as the cost of living impacts across the UK. A number of economic forecasters anticipate interest rates will be raised to at least 2.00 % by the Bank of England before the end of the year. The GBP/USD exchange rate has fallen below 1.20, driven by recent US inflation figures and down from 1.35 at the beginning of the year. Gilt yields have risen to a high of 2.65% from 0.98% at the start of the year, moderating to sub 2.20% levels by mid July.

Monthly investment volumes were only slightly behind the five year monthly average in June at £4.6bn a rise from £3.8bn in May. £29.6bn transacted during the first half of the year exceeding the £27.5bn transacted during the same period in 2021 and well above the five-year H1 average of £25.7bn. Cross border capital accounted for half of all investment volumes in H1 2022. During June, the office sector was the most active with £1.7bn invested. Four of the top five largest deals by value were offices, three of which were in London. The industrial sector saw £1.1bn of investment and June’s largest transaction with the £680m (5.31 IY) sale of a service station portfolio to Dakota Holdings. Investment in the retail sector was limited at £140m. The monthly MSCI index shows yields continue to compress in Q2 with the strongest movements were recorded for retail warehouses and offices outside Central London.

As already noted, investment in the retail sector was limited in June, however there were some larger schemes that transacted, including the sale of 40 Strand in London (£195m) and Marine Point, New Brighton (£44m). Volumes were down significantly from the £500m transacted in May and well below the five-year monthly average of £520m. The largest retail investment transaction was the purchase of Cortonwood RP in Barnsley for £24m at a net initial yield of 6.85% by Columbia Threadneedle. Elsewhere, Birmingham City Council acquired Newhall Walk RP in Sutton Coldfield for £16m, and Custodian REIT bought Springfield RP in Nottingham for £15m (6.21% IY). The largest high street shop transaction in June was the purchase of 61-67 Clarence Street in Kingston-upon-Thames by an undisclosed investor for £6m (6.69% IY).

Retail sales volumes appear to be slowing in light of the cost of living crisis although it has not yet resulted in a collapse in consumer spending. Sales volumes have declined for five times in the past seven months, including a 0.5% m/m fall in May. Retail sales volumes are around 5% lower than the same period last year although they remain above pre-pandemic levels. Online sales are also moderating with 26p in every pound believed to be spent online, down from a record of 38p during the pandemic. Expectations are that risks to spending are going to increase as consumer confidence fell to a fresh record-low of -41 in June. However, the decline in rental levels appears to be slowing with, with June's figure of -0.7% y/y the smallest fall in rents in almost four years. Fresh challenges are also being faced by the retail sector from changes to business rates as new downward transitional phasing is discussed that could cost the retail industry £1bn.

In the office sector, investment volumes reached £1.7bn in June, more than double the £880m invested in the sector in May and including over £1bn transacted in London. The largest deals of the month were the acquisition of Christchurch Court, 15 Newgate Street for £350m by Greycoat and Kingboard's acquisition of 2 London Wall Place for £302m. Outside of London, PSP Investments and Longfellow acquired Cambridge's Capital Business Park for £175m, whilst Straits Real Estate bought Gloucester Business Park for £130m. In Manchester, Corum Asset Management acquired 7 Charlotte Street for £32m. Monthly MSCI data shows Yields are compressing slightly according to monthly MSCI data, particularly for offices outside Central London

Contrary to evidence of a slowdown in activity in the office occupier sector, London take-up figures for Q2 2022 grew rapidly and surpassed the 10-year quarterly average by 20%. Demand rose to a three-year high, exceeding 1.1m sq ft. Demand for prime stock appears undimmed, however expectations are that figures for the summer months will show a slow down as occupiers assess wider economic and market conditions. The availability of new/refurbished space remains constrained, whilst levels of secondary space oversupply continue to increase. Monthly MSCI index figures indicate sustained rental growth across most markets. By region, Outer South East (+2.9% y/y), East of England (+2.4% y/y), Midlands & Wales (+2.4% y/y), and South West (+2.4% y/y).

Industrial investment exceeded the £1bn mark for the first time in three months in June, with industrial investment at over £7bn for the first half of 2022. This beats all other H1 figures recorded apart from the corresponding 2021 figure of £8bn. One of the largest deals in June was, the forward funding investment of £101m for the development of a new 668,000 sq ft distribution centre pre let to Peugeot at Ellesmere Port by Frasers Logistics & Commercial Trust. In Wednesbury, BentallGreenOak acquired a 486,600 sq ft site at Wednesbury's Richardsons Parkway for £91m at 2.88% IY. Another deal of note was the purchase of the 172,000 sq ft UK logistics development project Zephyr Park in Dagenham for £82m at 3.85% IY by Blackrock UK Property. MSCI index figures for June suggests that yields are stabilising.

In the industrial occupier market, take-up activity for space over 100,000 sq ft reached 21.2 million sq ft in the first half of the year, only 14% below the 24.8 million sq ft high in H1 2021. Occupiers continue to be highly acquisitive even in a challenging economic climate, with inflation affecting business margins and real household income. 26 deals were recorded in H1 2022 on larger and more efficient warehouse units sized 300,000 sq ft +. By comparison 23 deals and 20 deals were transacted over the same period in 2020 and 2021, respectively. Monthly MSCI figures show industrial rents increased by 12.5% y/y in June, the strongest rate of rental growth on record. London (+18% y/y) recorded the largest uplift in rents

Outside of the retail, office and industrial sectors approximately £1.7bn was invested during June, an increase from £1.1bn in May. After Dakota Holding's purchase of the service stations portfolio noted above, the next largest deal was the sale of the BTR element of Bristol's Redcliff Quarter to Grainger for £128m. Once completed, the scheme will include 374 private rental homes as well as 94 affordable homes and is Grainger's third BTR acquisition in Bristol, bringing their portfolio to around 900 homes. In South Wales, Song Capital purchased a 95-asset pub portfolio for £88m (6% IY), and HS Property Group purchased a social housing

portfolio for £70m. In June the largest hotel transaction was the £44m acquisition of a Travelodge and Morrisons at Marine Point, New Brighton by David Smith Properties.

Generally speaking, operational petrol filling stations sites are typically being sold in 'off-market' deals which is reflective of the current strength of the sector as well as the fact that there are several key operators active in the market. Despite the discussions around climate change and the positive impact of electric vehicles and other alternatively powered vehicles, there remains very strong demand for both operational petrol filling stations as well as land for new petrol station development.

We expect this demand, with continued restriction of available stock levels, the fundamental attractions of the convenience retail market and an increasingly limited number of sectors in which genuinely strong covenants on long indexed leases are available, to see downward pressure on prime yields in the coming months.

In the residential sector, annual house price growth remained in double digits in June, recorded at its highest level in over 17 years (+13% y/y) by the Halifax. Nationwide reported a third consecutive slowing in house price growth to 10.7% y/y. 109,000 residential property transactions completed in May, in line with the average for the first half of 2022, but down slightly from the high levels seen in for the similar period in 2021 where an average of 123,000 average sales completed per month. Mortgage approvals continued in line with the pre-pandemic levels of 66,000 per month. The RICS sales expectations index fell to a 17-month low in June, suggesting that activity may slow further in the coming months. The 75% 2- year fixed BoE mortgage rate continues to rise, reaching 2.88% at the end of June, a nine year high. This is up from 1.39% a year ago and the highest since 2013. Rental growth stands at 2.8% y/y, the strongest rate of growth since 2016.

Micro

The subjects are prominently positioned on a busy road connecting the village with Hailsham approximately 3.5 miles to the south west and ultimately with the Hailsham Bypass (A22) which connects Eastbourne with the M25 motorway to the north. The A271 runs to the east through the village of Herstmonceux and provides connections with villages such as Battle, Ninfield and ultimately Bexhill, Hastings and the A21 trunk road connecting with the M25 to the north.

As such there is a large amount of passing traffic and whilst there does not appear to be any traffic count data within the immediate location, the nearest count point to the west suggests upwards of 8,000 vehicles per day using the A271 in this location. Site visibility is good to traffic travelling in both directions with access also available to vehicles travelling in both directions.

The surrounding area is a popular destination amongst tourists and day trippers and the sites prominence is a key strength. In our opinion, competition on fuel sales is limited in this location and in addition there is limited / poor competition in respect of local convenience retailing in the village. The subject property benefits from ample parking spaces and is well positioned to capitalise on the local / passing demand for convenience retailing with the nearest supermarkets being located in Eastbourne to the south.

We would anticipate strong demand for the property if offered to the market which is reflective of the wider national appetite for petrol filling stations. We are aware of several dealer groups who are active across the region and we envisage that a marketing period (exposure period) of 6 to 9 months would be required to achieve the market value figure reported to allow for due diligence to be completed.

The last recorded sale of the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU shown on the Land Registry is dated 11th December 2020 with a stated price of £1,000,000. We assume this relates to the property only and disregards any apportioned price in respect of the moveable

fixtures and fittings, business goodwill, etc. In addition, subsequent to this sale the property has been altered as outlined above.

The last recorded sale of the property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU shown on the Land Registry is dated 11th December 2020 with a stated price of £150,000. This would appear to have been sold alongside the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU noted above and as such we assume this figure is an apportioned price and does not reflect the Market Value of the property.

Evidence and Valuation Methodology

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies

We would state that at present there are no leases or tenancies in place and we have valued on the assumption that full vacant possession would be available.

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

The property comprises a variety of uses on the site and as such we have adopted various approaches as outlined below.

In arriving at the valuation of the petrol filling station including the main forecourt building (incorporating the two flats), primary regard has been taken to the current trading levels and comparable transactional evidence, which there is sufficient for purpose but which in most cases is confidential. In order to arrive at our opinion of Market Value, we have had regard to the guidance within the RICS Information Paper - Capital and Rental Valuation of Fuel Stations 2nd Edition and in accordance with VPGA 4 (Valuation of individual trade related properties) of the RICS Valuation – Global Standards Effective from 31st January 2022 (‘the Global Red Book’) and having regard to the UK national supplement. Our opinion reflects a profit multiplier calculation whereby a profit multiplier has been adopted and applied to the subjects based upon the trading levels and profitability reported within Section 17 of our report.

In addition, we have carried out a check valuation which reflects a capitalised notional rent where the notional rent is derived through a divisible balance applied to the estimated sustainable gross profit.

The value of the petrol filling station is a product of the above exercise in combination with (but not limited to) considerations of the location, physical condition and above all demand for such properties.

We have assumed from the details provided that the subjects shall produce a sustainable adjusted net profit or EBITDA of £230,780 per annum. Our reported value of the filling station and two flats equates to a profit multiplier of approximately 10 times, or **£2,307,800**.

In relation to our check valuation, we have assumed that the subjects are capable of producing a sustainable gross profit of £505,780 or thereabouts per annum and we have applied a divisible balance of 25% and a yield of 5.5% to arrive at our reported value.

We would note that there is limited comparable transactions for petrol filling stations in the local area and we have therefore considered sales evidence from a wider geographical area. In providing our opinion of value, we have given consideration to recent transactions including the following:-

Property	Comments
Confidential East Anglia	Sold February 2022 for £4,800,000. Annual fuel volume 2,850,000 litres per annum, shop sales approx. £2,400,000 per annum. Approx 8.25 x EBITDA. Inferior location.

Tower Service Station, Seaton, Devon EX12 2TF	Freehold site. Sold Q1 2022 for £2,100,000. Annual fuel volume 5,800,000 litres per annum, shop sales approx. £928,000 per annum. Approx 7.5 x EBITDA. Inferior location.
Kilmington Cross Services, Axminster, Devon EX13 7RB	Freehold site. Sold Q1 2022 for £2,600,000. Annual fuel volume 7,500,000 litres (including 5M litres HGV fuel sales) per annum, shop sales approx. £1,000,000 per annum. Approx 8.5 x EBITDA. Inferior location.
Maiden Newton Service Station, Dorchester Road, Maiden Newton, Dorset DT2 0BA	Freehold site. Sold December 2021 for £2,600,000. Annual fuel volume 2,000,000 litres per annum, shop sales approx. £2,100,000 per annum. Approx 7.5 x EBITDA. Inferior location.
Roundswell Service Station, Roundswell, Barnstaple, Devon EX31 3RZ	Freehold site. Sold March 2021 for £4,550,000. Annual fuel volume 9,000,000 litres (including 1M litres HGV fuel sales) per annum, shop sales approx. £1,500,000 per annum. Approx 7 x EBITDA. Inferior location.
Linden Service Station, 205 Dewsbury Road, Leeds, LS11 5HZ	Freehold site. Sold February 2020 for £5,000,000. Annual fuel volume 4,125,000 litres per annum, shop sales approx. £1,000,000 per annum. Approx 12 x EBITDA. Superior location.
Millpool Service Station, 619 Alcester Road South, Birmingham B14 5EL	Freehold site. Sold January 2020 for £2,500,000. Annual fuel volume 5,185,000 litres per annum, shop sales approx. £2,500,000 per annum. Approx 11.8 x EBITDA. Superior location.
Ardleigh South Services, A120, Ardleigh, Colchester CO7 7SL	Freehold site. 24 hours. Sold January 2020 for £2,000,000 as one part of a 2 site package. Annual fuel volume 2,400,000 litres per annum, shop sales approx. £600,000 per annum. Approx 10 x EBITDA. Similar location.
Tattenham Corner Service Station, Tattenham Corner, Epsom, Surrey, KT18 5QJ	Freehold site. Non 24 hours. Sold summer 2019 for £900,000. Volume 2,100,000 lpa. Shop sales c £250,000. Approx 15 x EBITDA. Superior location. Inferior location
Barrett-Lee Service Station, Northern Road, Sudbury, CO10 2XQ	Freehold site. Non 24 hours. Sold October 2019 for £1,250,000, Volume 2,070,000 lpa. Shop sales c £615,000. Approx 7.15 x EBITDA. Inferior location
Newmarket Service Station, A27 Brighton Road, Lewes	Refurbished modern site sold to Rontec in March 2019 for £2.215M. Fuel volume of 5m litres, shop sales approx. £218,000. Purchase price equates to approximately an 8.3 times multiplier. Similar location, more modern site.
Lewes Service Station, A27 Brighton Road, Lewes	Refurbished modern site sold to Rontec in March 2019 for £3.335M. Fuel volume of 5.7m litres, shop sales approx. £735,000. Purchase price equates to approximately an 11 times multiplier. Similar location, more modern site.

In respect of the detached bungalow to the rear, we have adopted the Market Approach to valuation, and have used the Comparable Method in order to assess the subjects in relation to the following sales transactions which are all local to the area:-

Address	Date	Sale Price	Total Floor area (sq m)	Accommodation	CV PPSM	Comments
11, Queens Road, BN27 4LS	March 2022	£303,000	81	3 bedrooms Lounge/ Diner Kitchen Utility Bathroom Store	£3,740	Three bedroom terraced house located approximately 0.4 miles from the subject property. The property is dated throughout requiring modernisation. Benefits from a front driveway and a rear garden. The comparable offers a worse specification of fit-out but is configured in a friendlier family home style and in a more desirable residential location.
14, The Ridgeway, Herstmonceux, Hailsham, East Sussex BN27 4PQ	March 2022	£270,500	54	2 Bedrooms Lounge/ Diner Kitchen Bathroom Front and rear gardens	£5,009	Two bedroom semi detached bungalow located approximately 0.7 miles away. The property is dated throughout and requires modernisation. The comparable offers a worse specification of fit-out but is in a more desirable residential location.
7, Dacre Road, Herstmonceux, Hailsham, East Sussex BN27 4LP	Feb 2022	£320,000	93	3 bedrooms Kitchen Dining room Lounge Bathroom Garden Driveway	£3,440	Three bedroom semi-detached house located approximately 0.4 miles from the subject property. The comparable is nicely presented throughout with period and modern features. In comparison to the subject property the comparable is on a larger plot with the potential to extend and is in a more desirable residential location.
9, Chestnut Close, Herstmonceux, Hailsham, East Sussex BN27 4PU	Feb 2022	£315,000	86	3 bedrooms Kitchen Lounge/ Diner Bathroom Garden Driveway	£3,662	Three bedroom semi-detached house located approximately 0.7 miles from the subject property. The comparable is nicely presented but requires some updating. The comparable offers a similar specification of fit-out in comparison to the subject property but is configured in a friendlier

						family home style and in a more desirable residential location.
4 Willow Avenue, Hailsham, East Sussex, BN27 1TH	Dec 2021	£290,000	78	2 Bedrooms Kitchen Lounge Garden room Shower room Garage	£3,718	Two bedroom semi-detached bungalow located approximately 3.2 miles from the subject property. The property is nicely presented with a modern kitchen and bathroom. The comparable offers a similar specification of internal fit-out but less accommodation over a much smaller internal floor area. However the comparable benefits from a driveway, a front and rear garden and detached garage. It is also arguably in a more desirable location.
5 New Road, Hellingly, Hailsham, BN27 4EW	Dec 2021	£367,500	110	3 Bedrooms Kitchen Lounge Dining room Utility Bathroom	£3,341	Three bedroom semi-detached house located approximately 2.5 miles from the subject property. The comparable is nicely presented throughout requiring some minor internal updating. The comparable offers a similar standard and specification of fit-out within a similar internal floor area. However the comparable has significantly larger external grounds with a large rear garden and a front driveway for multiple vehicles. The comparable is also located within a more desirable area.
3 Blanshard Close, BN27 4NF	Oct 2021	£299,950	113	4 Bedrooms Entrance Hall Lounge Kitchen/ Diner WC Bathroom En-suite Garage	£2,654.42	Four bedroom terraced house located approximately 0.7 miles from the subject property. Built in 2009. Presented nicely throughout. The comparable offers a moderate specification of fit-out, small patio rear garden

						and a single parking space to the rear.
7 Buckwell Rise, BN27 4LX	Jun 2021	£307,500	79	3 Bedrooms Entrance porch Lounge Kitchen/ Diner Family bathroom	£3,892.41	Three bedroom semi-detached house located approximately 0.4 miles from the subject property. Recently redecorated throughout, modern kitchen, but the bathroom requires updating. The comparable offers a moderate specification of fit-out, but has a good size rear garden and ample parking for two cars on the front drive.
2 Queens Road, BN27 4LS	Jun 2021	£277,000	78	3 Bedrooms Kitchen Utility Lounge Porch Family bathroom	£3,551.28	Three bedroom end terrace house located approximately 0.4 miles from the subject property. Nicely presented throughout with a modern kitchen and bathroom. The comparable offers a good specification of fit-out, but there is no parking provision or garage.
The White House, Stunts Green, BN27 4PN	May 2021	£770,000	162	4 Bedrooms Kitchen/ Dining Snug Utility Living room Conservatory Cellar Workshop Barn Hobby room 2 en-suites Bathroom	£4,753	Substantial four bedroom detached house located approximately 1.0 miles from the subject property. Nicely presented throughout. The comparable sits on a large plot and offers a high level of accommodation with a large internal living space.

29 The Ridgeway, BN27 4PQ	May 2021	£343,000	73	3 Bedrooms Kitchen Conservatory Lounge WC Bathroom Garage	£4,698.63	Three bedroom detached bungalow located approximately 0.5 miles from the subject property. Nicely presented throughout, but the bathroom requires modernising. The comparable offers a reasonable specification of fit-out with a modern kitchen, large driveway and wrap around garden.
16 Monkey Puzzle Close, BN27 4ST	Mar 2021	£277,000	74	2 Bedrooms Kitchen/ Dining Conservatory Bathroom En-suite Lounge	£3,743.24	Two bedroom semi-detached bungalow located approximately 1.1 miles from the subject property. The comparable is of a basic and dated specification of fit-out and would benefit from modernisation, but does offer a good size driveway for at least two cars and a reasonably sized stepped rear garden.
8 Chapel Row, BN27 1RB	Mar 2021	£250,000	71	2 Bedrooms Kitchen Bathroom Lounge	£3,521.17	Two bedroom end terrace house located approximately 0.9 miles from the subject property. In need of modernisation throughout. The comparable offers a dated specification of fit-out and the driveway is only large enough for a single small car. However, it does offer a good size rear garden.
Pilgrim Cottage. BN27 1RJ	Mar 2021	£466,500	123	3 Bedrooms Kitchen Dining room Utility Lounge Entrance hall Garage Family bathroom	£3,792.68	Three bedroom detached house located approximately 0.9 miles from the subject property. Nicely presented, but would benefit from some modernisation to the bathroom. The comparable sits on a reasonably sized plot surrounded by gardens and arguably has scope for improvement/ development.

Based on the above noted evidence as well as having regard to the position of the bungalow to the rear of a busy petrol filling station and adjacent to commercial workshop style premises, we are of the opinion that the bungalow has a value of **£250,000**.

£2,307,800 + £250,000 = £2,557,800, which we have rounded to **£2,500,000**.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

In valuing the property, we have adopted the market approach to valuation and have valued the subjects based on the above comparable evidence obtained, including reference to our market knowledge of the market within the subjects' location and surrounding area together with other similar properties which we have deemed to be comparable.

There is very limited transactional evidence relating to the sale and lease of comparable buildings in the location of the subject property over the last 15 months. We have therefore had to consider industrial properties across the wider area (including those on the market) as follows:

Property	Sq ft	Date	Price/Rent	£/sqft	Comments
Units 1 & 2 Lanyard House, Ropemaker Park, Hailsham, BN23 3JP	3,122	UNDER OFFER	£31,000pa (per unit)	£9.93	Located approximately 3.9 miles south west of the subject property. New build units, each agreed to be let for a 10 year term.
Station Road, Portslade, Brighton	1,453	May 2022	£202,000	£139	The property is located in Portslade on the Sussex Coast and forms part of the Brighton conurbation, lying some 3km to the west of Brighton town centre. Dated brick built detached freehold warehouse over 2 floors ideal for storage purposes together with a selection of other uses such as offices, community centre, learning facility, workshop, artists studio etc.
Unit 2A, enlightened Business Park, {alehouse Common, TN22 5QZ	2,763	Feb 2022	£27,750pa	£10.04	Located approximately 11.5 miles west of the subject property. Modern industrial/ warehouse unit of a steel portal frame construction. Profile cladding to all elevations, a pitched roof, parking provision and a roller shutter and pedestrian access door. The comparable is of a newer build and design in comparison to the subject property and located near to the A26 north of the town Lewes.
West Suite, European House, Hackhurst Lane, Lower Dicker, BN27 4BW	2,156	Sept 2021	£18,000pa	£8.35	Located approximately 5.2 miles west of the subject property. Comprises warehouse/ workshop with ground floor office, first floor stores and second floor office suite. Private parking onsite. Lease agreed on an IRI basis. The comparable appears of a marginally older age and specification than the subject property but is just off of the A22.
Unit 15 Station Road Industrial Estate, Station Road, Hailsham, BN27 2EL	2,321	Sept 2021	£17,400pa	£7.50	Located approximately 4.1 miles south west of the subject property. The premises comprises a self-contained concrete frame unit with brick elevations under a corrugated pitched roof. The comparable is of an older construction and specification but is located on the well established Station Road Industrial Estate offering easy access to the A22/ A27 junction to Brighton and Hastings.
Unit 69 Station Road Industrial Estate, Hailsham, BN27 2ES	1,881	Sept 2021	£16,000pa	£8.51	Located approximately 4.2 miles south west of the subject property. The unit comprises a concrete frame with brick elevations under a corrugated pitched and timber framed roof. Lease agreed on an FRI basis. The comparable is of an older construction and specification, but is located on the well established Station Road industrial Estate within 2 miles of the A22/ A27 junction.
Unit 43, Mountney Bridge Industrial Estate, Eastbourne	1,812	July 2021	£13,600pa	£7.51	Located approximately 7.7 miles south of the subject property. The unit comprises a modern terraced industrial unit as a steel portal frame construction with brick/block to the lower

Road, Pevensey, BN24 5NH					elevation and profile metal cladding to the upper elevation and the pitched roof. Lease agreed for a 3 year term on a FRI basis. The comparable is a similar style of industrial unit, but is of a more modern specification and arguably in a more desirable location just south of the A27.
7A-7H Appledore Rd, Tenterden TN30 7DE	6,000	April 2021	£695,000	£116	Leigh Green Industrial Estate is located in Tenterden, Kent which is approximately 15 miles south-east of Tunbridge Wells which itself is approximately 15 miles south of Junction 5 of the M25 motorway. Tenterden itself is a small town located between Ashford and Hastings on the A28. The Estate itself is located on the outskirts of town. The estate comprises of 8 small self-contained light industrial units in two terraces. The units are constructed of steel frames under profiled steel cladding with roller shutter doors and a personnel door. The units are served by a communal yard and parking. Internally, the units benefit from fluorescent lighting and translucent roof lights and a toilet in each unit. The estate totals approximately in area 0.3 acres. Four of the units are side by side and 500 sq ft each, the other units are 1,000 sq ft each.

Given the dearth of capital sales, we have also considered the following limited investment comparable evidence.

Property	Sq ft	Date	Price	Rent p.a.	Rent psf	Net Initial Yield	Comments
London Road, Bexhill-On-Sea TN39	7,065	UNSOLD AT AUCTION August 2022	£565,000 (UNSOLD AT THIS LEVEL)	£58,548	£8.29	9.78%	The units comprise a mix of dated single and two storey commercial buildings providing a range of use from car workshops, storage and other commercial uses let to 6 different tenants on varying terms / lease lengths. Equates to a capital rate of circa £80/sq.ft.
Cobsen Davies Roofing (Southern) Ltd, Southdownview Road, Worthing, BN14 8NH	3,934	December 2019	£500,000	£32,000	£8.13	6.05%	Located in seaside town of Worthing, 10 miles west of Brighton. Detached brick industrial unit with offices and car parking. Equates to a capital rate of circa £127/sq.ft.
16C, Highfield Industrial Estate, Lister Road, Eastbourne, East Sussex, BN23 6PU	3,021	February 2019	£397,500	£21,811	£7.22	5.22%	The property is located 44 miles south of the M25, 24 miles east of Brighton, and to the north-east of Eastbourne town centre on the well established Highfield Industrial Estate. The unit comprises a purpose built mid-terraced industrial unit together with 4 parking spaces. The unit is of steel

							portal frame construction with brick block elevations under corrugated asbestos cement sheet clad roof with 10% natural roof lights. The unit has eaves heights of 5m and a full height roller shutter door. Let to Kwik Fit for a term of 30 years without break expiring on 27th December 2030.
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Given the fact that the unit is capable of being sub-divided we have had regard to the available evidence in respect of the letting of units of circa 1,000 to 2,000sq.ft. The evidence shows that units in established estates such as Station Road Industrial Estate, Station Road, Hailsham are achieving rents in the region of £9 to £10 per sq.ft. The subject property is located within an off-pitch location as far as most industrial occupiers are concerned however the lack of available space within the immediate vicinity would likely lead to strong demand for the unit(s) should they be available to let. On this basis we would consider a rent based on a rate of £7.50 per sq.ft to be achievable. This equates to an estimated rental value (ERV) of £50,199 per annum.

We have also considered there to be a degree of land which would be considered to be in excess of what most occupiers of a unit of such a size might require. We calculate this to extend to 0.25 acres allowing for a reasonable estimate of the unusable landscaped areas surrounding the site. There is very limited transactional evidence relating to comparable land in the location of the subject property over the last 12 months and so we have also had regard to properties currently on the market across the wider region.

Property	Acres	Date	Rent	Rent/acre	Comments
Little Springfield Farm, Plaistow Road, Loxwood, Billingshurst, West Sussex, RH14 0TS	0.918	ON MARKET	£120,000 (QUOTING)	£130,000 (QUOTING)	Surplus type 2 surfaced land on the edge of Loxwood village.
Secure Compound, Riverside Industrial Estate, Bridge Road, Littlehampton, West Sussex, BN17 5DF	0.233	ON MARKET	£35,000 (QUOTING)	£150,000 (QUOTING)	Gated and secure, hardstanding compound at Riverside Industrial Estate in Littlehampton.
Land To Rear Of, Ham Road, Shoreham-By-Sea, West Sussex BN43 6PA	0.390	ON MARKET	£34,000 (QUOTING)	£87,500 (QUOTING)	Secure, hard standing storage space adjacent to Shoreham's train station.
Station Road Angmering, East Preston, Littlehampton, West Sussex BN16 3RE	0.417 (TOTAL OF 4 PLOTS)	ON MARKET	£45,450 (QUOTING – TOTAL FOR 4 PLOTS)	£110,000 (QUOTING)	Secure, hardstanding storage space adjacent to Angmering Train Station. 4 plots available of varying size.
Former Sita Suez Site, East Street, Turners Hill, Crawley, RH10 4QQ	0.81	ON MARKET	£95,000 (QUOTING)	£117,000 (QUOTING)	The property lies approximately 6 miles East of junction 10 of the M23. East Grinstead Town Centre and Train Station are less than 3 miles from the site. A largely regular shaped yard with access directly off East Street (B2110). A new electrically operated gate will provide a private self-contained access. The majority of the yard is concrete surfaced and is fully fenced.
Chiddingly Road, Horam, TN21 0JJ	0.545	May 2022	£20,000	£37,000	The property is located in predominantly rural area just to the south of the town of Horam in East Sussex. The site is very basic secure storage yard. It is mostly surfaced with concrete and generally bounded by high security fencing. It is home to two

					basic brick built buildings – one used as a site office and one as a store. Let for 10 years to Avanti Gas Limited who own the freehold of the adjacent site – the subject property is the only route through to the Avanti Freehold.
Open Storage Land, Graylands Estate, Langhurstwood Road, Horsham, RH12 4QD	0.12	October 2019	£11,000	£92,000	Secure open storage yard located in Graylands Estate situated approximately 1½ miles north of Horsham town centre.

The above comparables are of varying quality and prices achieved / sought are heavily dependent upon the ability/ potential for development and whether prior or existing planning is outstanding, granted or refused. We have adopted a rental rate of approximately £50,000 per acre to reflect the back-lying position of the surplus land in question which equates to £12,500 per annum. The resulting total ERV is £62,699 per annum, which we have rounded to £62,500 per annum and this forms our opinion of the Market Rent below.

We have assumed a 6 month marketing void and a further 3 months’ rent free period and we have thereafter assumed the property would be let in line with the ERV and we have capitalised this at an equivalent yield of 7% and have also allowed for empty property holding costs (rates, security, maintenance, etc), letting fees, legal and professional fees and Stamp Duty. This results in a rounded Market Value of **£795,000** which equates to a capital rate of £119 per sq.ft which reflects the area of surplus land in our opinion.

Both properties combined

You have asked us to provide an opinion of value of the sites on the assumption that the sites are combined. We would consider the approach taken on this basis would be similar to that noted above in arriving at our opinion of the site known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU.

We have assumed that in addition to the sustainable adjusted net profit or EBITDA of £230,780 per annum noted above, the site would also benefit from rental income from the property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU in line with that noted above, ie £62,500 per annum. This would result in a total sustainable adjusted net profit or EBITDA of £287,030 per annum.

Our reported value of the filling station, two flats and property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU would therefore equate to a profit multiplier of approximately 10 times, or **£2,870,300**.

In relation to our check valuation, we have assumed that the subjects are capable of producing a sustainable gross profit of £562,030 or thereabouts per annum and we have applied a divisible balance of 27.5% and a yield of 5.5% to arrive at our reported value.

Based on the above noted evidence as well as having regard to the position of the bungalow to the rear of a busy petrol filling station and adjacent to commercial workshop style premises, we are of the opinion that the bungalow has a value of **£250,000**.

$£2,870,300 + £250,000 = £3,120,300$, which we have rounded to **£3,125,000**.

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

This assumes that the property is as existing, i.e. open and trading, that accounts and records of trade would be available to a prospective purchaser and that all licenses and consents remain in place.

In our opinion, to achieve a sale price at the level stated above a marketing period of 6 to 9 months would likely be required. Therefore, to achieve a sale within a restricted marketing period of 90 days the price would have to be discounted to reflect the additional risk to a purchaser who would have limited time to undertake full due diligence including site investigations, etc. In our opinion a discount in the region of 30% would be required to achieve a sale within the required marketing period.

£2,500,000 * 70% = **£1,750,000**.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

In our opinion, to achieve a sale price at the level stated above a marketing period of 6 to 9 months would likely be required. Therefore, to achieve a sale within a restricted marketing period of 90 days the price would have to be discounted to reflect the additional risk to a purchaser who would have limited time to undertake full due diligence including site investigations, etc. In our opinion a discount in the region of 25% would be required to achieve a sale within the required marketing period.

£795,000 * 75% = £596,250, which we have rounded to **£595,000**.

Both properties combined

In our opinion, to achieve a sale price at the level stated above a marketing period of 6 to 9 months would likely be required. Therefore, to achieve a sale within a restricted marketing period of 90 days the price would have to be discounted to reflect the additional risk to a purchaser who would have limited time to undertake full due diligence including site investigations, etc. In our opinion a discount in the region of 30% would be required to achieve a sale within the required marketing period.

£3,125,000 * 70% = £2,187,500, which we have rounded to **£2,200,000**.

Market Value of the Property assuming Vacant Possession

‘Vacant Possession’ is defined by the RICS as a ‘phrase specifying that the previous occupants of a property (including tenants) must vacate the property before completion (i.e. before the next occupants move in)’. Therefore, the values are all as outlined above. This assumes that the property known as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU is as existing, i.e. open and trading, that accounts and records of trade would be available to a prospective purchaser and that all licences and consents remain in place.

Estimated rental value for the subject Property

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU

To arrive at our opinion of the Market Rent we have looked at rental evidence to establish the Estimated Rental Value of the subject property. Our research indicates that there have been very few properties of this nature let in recent times within the immediate area. We have therefore expanded the boundaries of our search to the wider area with much of the evidence relating to the letting of sites to major brands. We consider the following transactions to be of assistance. Due to client confidentiality restrictions, we are unable to provide full details of the transactions involved, but have provided extract information below, and we are happy to discuss such comparisons in further detail on an informal basis if required.

Property	Comments
Nutley Service Station, High Street, Nutley TN22 3NN	15 years from 29th April 2021. Passing rent £55,000 per annum rising £1,000 per year to £60,000 in 5th year. Inferior trading performance, similar location.

Co-op, Roehampton Vale Service Station, 29 Roehampton Vale, London, SW15 3DX	The property is let to Co-Operative Foodstores Limited by assignment (dated 14 March 2016) guaranteed by Co-Operative Group Food Limited. The Lease incorporates full repairing and insuring terms and expires on 20 June 2027. The rent passing is £258,618 per annum, which is subject to annual fixed rental increases of 2%. The next review is 21 June 2022 when the rent increases to £263,790 per annum. Superior trading location.
Morrisons C-Store / Esso Forecourt, Thornhill Park Road, Southampton, SO18 5TQ	The property is let Rontec Properties (No. 4) Limited (guaranteed by Rontec Roadside Retail Limited) by way of a Licence to Assign dated 18 November 2019. The Lease is subject to annual fixed increases of 2% and incorporates full repairing and insuring terms and expires on 20 June 2027. Current passing rent wef June 2021 is £122,712 per annum.
BP / M&S Simply Food, 213 Epsom Road, Guildford, Surrey, GU1 2RB	Modern BP forecourt, large M&S Simply Food c-store and automatic car wash. The property is let to BP Oil UK Limited on a full repairing and insuring lease that expires on 30 April 2036. Passing rent wef April 2021 is £170,000 per annum
Bapchild Service Station, London Road, Sittingbourne, Kent ME9 9PP	15 years from 4th April 2018. Passing rent £75,000 per annum. Similar trading performance, arguably weaker location.

The above noted evidence shows no clear pattern other than those sites which are modern and well located close to major trunk roads / junctions and therefore benefit from strong trading potential are attracting higher rents than secondary locations. The level of rent that a tenant will offer will be based on economic supply and demand principles. The greater the demand for a particular property, the higher the percentage of the gross profit a tenant will be prepared to offer to secure the lease. Where demand is lower, the percentage of the turnover will be lower. For such a location, we would anticipate a good level of demand. In our experience, most operators would pay in the region of 25% of the Gross Profit.

As noted above, we have assumed that the petrol filling station element of the subjects (including the two flats over the forecourt shop) is capable of producing a sustainable gross profit of £505,780 or thereabouts per annum. A divisible balance of 25% reflects what a hypothetical operator would be prepared to pay as a rent. This results in an ERV of £126,445 for the petrol filling station element inclusive of the two flats.

With regards to the detached bungalow to the rear of the petrol filling station we have had regard to the following evidence when arriving at our view of the achievable rent.

Address	Rent	Total Floor area (sq m)	£/PPSM	Comments
Bungalow Rental Evidence				
28 Fairlawns Drive, BN27 4PH	Agreed £1,050	54	£233	Two bedroom semi-detached bungalow.
80 Howlett Drive, Hailsham, BN27 1QW	Agreed £950	55	£207	Two bedroom semi-detached house.
3 Honeysuckle Avenue, Hellingly, Hailsham, BN27 4FP	Agreed £1,000	69	£174	Two bedroom semi-detached house. Recently refurbished.
11 Chapel Barn Close, Hailsham, BN27 2PZ	Agreed £1,550	91	£204	4 bedroom link detached. Specification of fi-out in-line with a BTL property.

70 Swan Road, Hailsham, East Sussex, BN27 2DD	Agreed £1,100	71	£186	Mid-terrace 3 bedroom house recently refurbished.
14 Pitreavie Drive, Hailsham, BN27 3XG	Agreed £1,450	106	£164	4 bedroom detached house.

We would consider an achievable Market Rent to be £1,000 PCM, or £12,000 per annum.

£126,445 + £12,000 = £138,445 per annum, which we have rounded to **£138,500 per annum**.

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

As noted above, our opinion of the Market Rent of this property is **£62,500 per annum**.

Both properties combined

As noted above, we have assumed that the combined site is capable of producing a sustainable gross profit of £562,030 or thereabouts per annum. A divisible balance of 27.5% reflects what a hypothetical operator would be prepared to pay as a rent. This results in an ERV of £154,558 for the petrol filling station element inclusive of the two flats and property known as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU.

As noted above, the ERV for the detached bungalow to the rear of the petrol filling station is £12,000 per annum.

£154,558 + £12,000 = £166,558, which we have rounded to **£166,500 per annum**.

Valuations

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies

We are of the opinion that the current Market Value of the freehold interest in the property identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU as described in our report, subject to and with the benefit of any existing leases or tenancies, as at the date of valuation is:

£2,500,000

(Two Million Five Hundred Thousand Pounds)

We would anticipate a minimum marketing period of 6 to 9 months to achieve the market value reported.

We are of the opinion that the current Market Value of the freehold interest in the property identified as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, subject to and with the benefit of any existing leases or tenancies, as at the date of valuation is:

£795,000

(Seven Hundred and Ninety Five Thousand Pounds)

We would anticipate a minimum marketing period of 6 to 9 months to achieve the market value reported.

We are of the opinion that the current Market Value of the freehold interest in the combined properties identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU and Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, subject to and with the benefit of any existing leases or tenancies, as at the date of valuation is:

£3,125,000

(Three Million One Hundred and Twenty Five Thousand Pounds)

We would anticipate a minimum marketing period of 6 to 9 months to achieve the market value reported

Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days

We are of the opinion that the current Market Value of the freehold interest in the property identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU as described in our report, free from encumbrance, and subject to the special assumption of a 90 day period in which to exchange contracts, as at the date of valuation is:

£1,750,000

(One Million Seven Hundred and Fifty Thousand Pounds)

We are of the opinion that the current Market Value of the freehold interest in the property identified as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, free from encumbrance, and subject to the special assumption of a 90 day period in which to exchange contracts, as at the date of valuation is:

£595,000

(Five Hundred and Ninety Five Thousand Pounds)

We are of the opinion that the current Market Value of the freehold interest in the combined properties identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU and Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, free from encumbrance, and subject to the special assumption of a 90 day period in which to exchange contracts, as at the date of valuation is:

£2,200,000

(Two Million Two Hundred Thousand Pounds)

Market Value of the Property assuming Vacant Possession

We are of the opinion that the current Market Value of the freehold interest in the property identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU as described in our report, assuming vacant possession, as at the date of valuation is:

£2,500,000

(Two Million Five Hundred Thousand Pounds)

We are of the opinion that the current Market Value of the freehold interest in the property identified as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, assuming vacant possession, as at the date of valuation is:

£795,000

(Seven Hundred and Ninety Five Thousand Pounds)

We are of the opinion that the current Market Value of the freehold interest in the combined properties identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU and Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, assuming vacant possession, as at the date of valuation is:

£3,125,000

(Three Million One Hundred and Twenty Five Thousand Pounds)

Estimated rental value for the subject Property

We are of the opinion that the current Market Rent of the property identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU as described in our report, on the assumption of a normal commercial lease on standard terms is:

£138,500 per annum

(One Hundred and Thirty Eight Thousand Five Hundred Pounds per annum)

We are of the opinion that the current Market Rent of the property identified as Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, on the assumption of a normal commercial lease on standard terms is:

£62,500 per annum

(Sixty Two Thousand Five Hundred Pounds per annum)

We are of the opinion that the current Market Rent of the combined properties identified as Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU and Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU as described in our report, on the assumption of a normal commercial lease on standard terms is:

£166,500 per annum

(One Hundred and Sixty Six Thousand Five Hundred Pounds per annum)

Special Assumptions

1. 90 day period in which to exchange contracts.

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

The Special Assumptions listed above have been agreed with Proplend Security Limited, however, should one or a number of the assumptions not apply, then our opinion of value is likely to differ from the figure reported above.

General Assumptions

The following assumptions have been adopted in arriving at our opinion of value:

There is clear title to the property and the boundaries indicated on the attached plan are in accordance with those held at the Land Registry and those over which your charge is to be taken.

Full planning consent exists for the building in its existing use with there being no outstanding liability for Business Rates.

The land and buildings are free from contamination.

The information and documents supplied to us and upon which we have formed our opinion of value are correct for the purposes of our report. Should any of the information provided prove to be incorrect or inadequate, then the accuracy of the valuation may be affected.

Our valuation has been prepared in accordance with the RICS Valuation – Global Standards Effective from 31st January 2022 ('the Red Book') as published by the Royal Institution of Chartered Surveyors. The definition of value is set out at Appendix E.

Reinstatement Value

This indication for insurance purposes is given solely as a guide, and without liability, since a formal estimate requires to be undertaken by a Chartered Building Surveyors who have the necessary current experience of replacement costs.

We recommend that you commission a full Insurance Reinstatement Valuation to ensure the sum insured is sufficient and that this should be updated regularly.

On this basis, we suggest an indicative Reinstatement cost (combined properties) of no less than **£2,350,000 (Two Million Three Hundred and Fifty Pounds)**. This guidance figure is a "Day One" estimate of costs for reinstating the premises in relation to building costs as at September 2022, including demolition, site clearance and fees but excluding VAT, except on fees.

Security for Loan Purposes

The property forms suitable security for normal loan purposes, subject to the comments within this report, in terms of present saleability, suitability, expected obsolescence and potential assuming that the borrower shall maintain the property in a reasonable state of repair.

Recommendations

It is recommended that the Solicitors acting on behalf of the Lender confirm or obtain the following documentation.

That there is clear title to the property and that the boundaries indicated on the attached site plan are in accordance with those held at the Land Registry and those over which the Bank's charge is to be taken.

In respect of the partially collapsed walkway to the rear of the main building (adjacent to its south west corner) we would recommend obtaining confirmation of any previous structural investigations.

That copies of formal trading accounts in respect of the business undertaken from the subject property be obtained and if necessary referred back to the valuer for comment.

That a copy of any environmental reports or audits are obtained.

We trust that this Report meets with your requirements but if there are any matters arising which require clarification, please do not hesitate to contact us.

Reviewed and approved for SIA Group by:



John Docherty MSc, MRICS
Senior Property Appraiser

SIA Group | Asset Ingenuity



Matt Brumpton BSc (Hons), MRICS
Head of Property

SIA Group | Asset Ingenuity

Appendix A – Terms and Assumptions of Valuation

TERMS AND ASSUMPTIONS OF VALUATION

DEFINITIONS

In these Standard Assumptions of Valuation:

"Client"

Means the person, organisation, firm or company identified within this Report from whom instructions to prepare this Report have been received.

"SIA Group"

SIA Group is a limited liability Company, whose principal place of business is at 107 Cheapside London EC2V 6DN.

"Services"

Means the services to be provided by SIA Group as set out in the Acceptance of Instructions Letter.

"Property"

Means all those freehold or leasehold premises, which are the subject of the instructions and this Report. In the case of development schemes, those premises which are proposed.

"Business"

Means any business, trade or profession that is or is intended to be carried on at the Property.

"Report"

Means the contents of this Report including all the appendices and addendums.

INSTRUCTIONS

This Report and its preparation are governed by the Letter of Instruction and SIA Group Acceptance of Instructions Letter and Standard Terms of Business attached thereto, which shall be read in conjunction herewith.

PURPOSE OF THE REPORT

SIA Group has prepared this Report for use only by the Client for the purpose stated within the instruction section of this Report and for no other purpose whatsoever. SIA Group accepts no responsibility or liability for its use by any third party for either the whole or part of its contents.

Neither the whole nor any part of this Report nor any reference thereto may be included in any published document, circular or statement nor published in any way without the prior written approval of SIA Group as to the form and context in which it may appear.

Neither SIA Group nor the authors of this Report make any representations or warranties as to the accuracy, completeness or reasonableness of the information contained therein and no such representations or warranties shall be implied. No reliance should be placed by any third party on any statement or information contained within this Report and neither SIA Group nor the authors of this Report shall be liable to any third party if it is relied upon.

INFORMATION

For the purposes of preparing this Report, SIA Group has been provided with various items of information by the Client, the Client's Professional Advisors, Bankers and Customer(s) (or the Owner or Owners Professional Advisors and Bankers where relevant). Information is checked where appropriate but is normally accepted as accurate unless contrary indications are received. Unless otherwise stated, SIA Group has assumed that all of the information is valid for the purposes of this Report.

In arriving at the views expressed in this Report, SIA Group has assumed that the instructing Client has made full disclosure of all matters, which would affect our views, which are based upon the information supplied, our inspection and further enquiries. SIA Group is entitled to rely on information contained within any agent's particulars prepared in respect of the Property or Business or information provided by statutory authorities.

SIA Group Europe has, in arriving at the opinion(s) of the value of any Business as expressed in this Report, considered management records, financial accounts and forecasts/projections where provided as indicators of trading potential. Any future change in the trading potential or actual level of trade from that indicated by the information and assumptions made available to SIA Group for the purposes of this Report could cause the opinion(s) of value to vary.

Notwithstanding the foregoing SIA Group can take no responsibility for any mis-statement, omission or misrepresentation made to it. No responsibility or liability will be accepted for the true interpretation of the legal position of the Client, their customer or any other parties. The non-disclosure or inaccuracy of relevant information provided to us may have a material effect upon the opinion(s) of value given in this Report which may well be invalidated

INSPECTION AND GROUND CONDITIONS

This Report is not and should not be construed as any form of building survey of the Property. SIA Group has not inspected woodwork or other parts of the Property which are covered, unexposed or inaccessible at the time of the inspection and such parts are assumed to be in good repair and condition.

SIA Group is entitled to assume that the Property is of sound design and construction and free from any inherent defect or defects and that The Property will be subject to ongoing repair, maintenance and refurbishment. This Report does not purport to express an opinion or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.

SIA Group has not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or any other deleterious material have been used in the construction of the Property, or have since been incorporated. SIA Group is therefore unable to report that the Property is free from risk in this respect and for the purposes of this Report have assumed that such investigation would not disclose the presence of any such material in any adverse conditions.

Where the Property is a new building or is to be subject to repair, refurbishment, redevelopment or other building works, SIA Group is entitled to assume that all works will be carried out in accordance with all plans and other documents and costings provided to it and further that all such works will be to a good standard, meeting all relevant statutory and regulatory requirements and that all customary warranties, certificates, guarantees and approvals will be issued on completion of the works and will be capable of assignment to future owners and occupiers of the Property.

Unless otherwise stated, SIA Group has not been instructed to, nor have carried out any site investigations or geographical surveys of the Property or neighbouring land and this Report can give no opinion or assurance or guarantee about the nature of the ground.

SIA Group is entitled to assume that the ground has sufficient load bearing strength to support the existing constructions or any other construction that may be erected upon it in the future and that it is not landfilled ground.

SIA Group cannot give any opinion, assurance or guarantee that there are no underground mineral or other workings beneath the site or in its vicinity or that there is no fault or ground instability, which could or might affect the Property or any construction thereon.

Unless otherwise stated, SIA Group has not been instructed to, nor have carried out an environmental audit or any investigation into past or present uses, either of the Property or of any neighbouring land to establish whether there is any contamination or potential for contamination to the Property from these uses.

SIA Group has not tested any of the services, plant or machinery or arranged for any services or installations to be tested. This Report does not express any opinion as to their adequacy or condition and SIA Group values on the basis that they are in a satisfactory condition and adequate for the stated purpose or Business being undertaken, both at the time of inspection and in the foreseeable future.

MEASUREMENT

Any measurements are carried out in accordance with the current edition of the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors unless otherwise stated in this Report.

SIA Group's understanding of the boundaries is stated, and SIA Group is entitled to assume that such understanding shows the true extent of the Property and that there is no existing, or potential boundary, or other disputes or claims outstanding.

Site areas are not derived from physical site surveys, are approximate unless otherwise indicated and are as advised by the Client or other third party.

TITLE

Unless indicated to the contrary SIA Group has not inspected the Title Deeds and no Local Authority searches have been undertaken, nor has SIA Group been advised of any outstanding notices, disputes or encumbrances which would affect the Property.

Unless otherwise stated it is assumed that there is good and clear title to the Property, which is capable of unrestricted transfer to a third party purchaser.

In the case of leasehold properties, unless indicated to the contrary, title deeds and/or lease documents have not been inspected and this Report assumes that the interest in the Property is as described to SIA Group and as referred to in this Report. SIA Group also assumes except where noted, that all the covenants and restrictions of the lease have been complied with and that there are no breaches or disputes which would adversely affect the opinion(s) of value. No allowance has been made for arrears of rent or service charges.

Unless stated otherwise SIA Group has assumed that the Property is not subject to any underlettings or other rights of occupation.

STATUTORY/LEGISLATIVE REQUIREMENTS

Unless otherwise stated SIA Group has, in the time available, not carried out full planning enquiries and have arrived at the opinion(s) of value upon the basis that the Property described in this Report complies with all Local Authority Town Planning, Bylaw and Statutory requirements and that appropriate planning consents have been granted where necessary.

Other than as revealed by enquiries made by SIA Group and set out in this Report, SIA Group has assumed that the Property complies with all statutory and other requirements including (but without limitation) the requirements of the Regulatory Reform (Fire Safety) Order 2005, the Food Safety Act 1990, the Licensing Act 2003, Town and Country Planning Acts, Control of Asbestos Regulation 2006, Building Control Regulations, the Environmental Health Act, Disability Discrimination Act 2005, the Care Standards Act 2000 and all other relevant legislation.

GENERAL ASSUMPTIONS

This Report has been prepared in accordance with the current edition of the RICS Valuation – Global Standards Effective from 31st January 2022 ('the Red Book') issued by the Royal Institution of Chartered Surveyors. Unless otherwise stated, in preparing this Report, SIA Group has acted as External Valuers.

Unless stated to the contrary in this Report, SIA Group has no other current or presently foreseeable fee earning relationship concerning the Property and/or Business apart from fees associated with the preparation of this Report.

In the opinion(s) of value SIA Group has taken no account of any taxation, grants, cost of realisation or other liabilities which may arise or be due for repayment on the disposal/acquisition of the Property. Any such amounts should be confirmed by the Clients professional advisers.

Unless indicated to the contrary, SIA Group has not reflected in the opinion(s) of value any element of marriage value, which could possibly be realised by a merger of interests. The opinion(s) of value also disregard the possibility of a sale to a special purchaser, who may be prepared to pay a figure in excess of our opinion(s) of value, having regard to circumstances at the time of sale.

Views in this Report are expressed on the basis of the economic situation appertaining at the present time and any variation in the future could well have an effect upon the opinion(s) of value of the Property.

Unless otherwise stated, SIA Group has not been advised of the VAT status of the Property and has assumed that VAT will not be chargeable. All opinion(s) of value contained within this Report are exclusive of VAT unless otherwise stated.

Where appropriate, SIA Group unless indicated to the contrary, has assumed that none of the guests, residents or occupants of any staff accommodation will obtain security of tenure and have valued on the basis that full vacant possession is obtainable.

TRADE, FIXTURES AND FITTINGS

Unless stated to the contrary in this Report, the opinion(s) of value is/are based on the assumption that the trade furnishings, fixtures and fittings and plant and equipment are free from hire purchase, leasing, rental, loan, service agreements or other third party rights.

SIA Group has not taken into account the value of stock in trade, motor vehicles, trade debtors or creditors, other assets or liabilities or contingent liabilities.

SIA Group has made no allowance for any contingent tax liabilities to staff (whether relating to redundancy or otherwise).

SIA Group assumes that on any sale of the Property or Business, all parties will comply fully with the Transfer of Undertakings (Protection of Employment) Regulations and that there would be no unusually onerous costs arising.

For the purposes of this Report, SIA Group has assumed that any Business will be subject to competent and efficient management, and that it will continue to trade with all relevant licences, consents, certificates and permits, which will be renewed as necessary.

Views in this Report of any Business are expressed on the basis of the competitive position at the present time and any changes in the market place in the future could well have an effect upon the opinion(s) of value.

CONFIDENTIALITY AND DISCLOSURE

The contents of this Valuation Report and Appendices are confidential to the instructing party for the specific purpose to which they refer and are for their use only and no responsibility is accepted to any other party in respect of the whole or any part of their contents.

Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained.

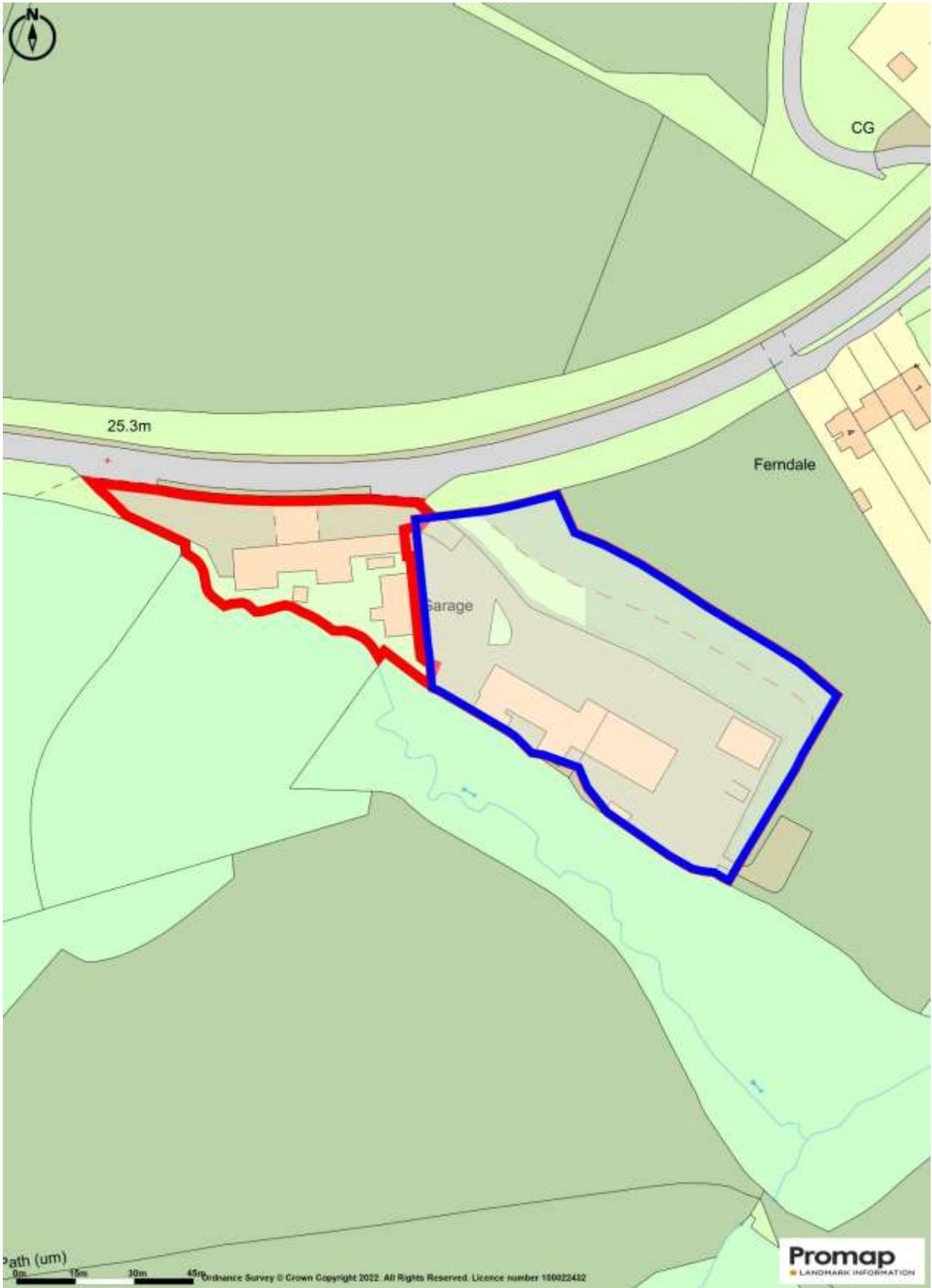
Such publication or disclosure will not be permitted unless, where relevant, it incorporates adequate reference to any Special Assumptions and/or Departures from the RICS Valuation – Global Standards Effective from 31st January 2022. For the avoidance of doubt, such approval is required whether or not SIA Group is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Appendix C – Location Plan, OS Extract, Title Plans, Photographs and Principal Competition Photographs

Location Plan and OS Extract

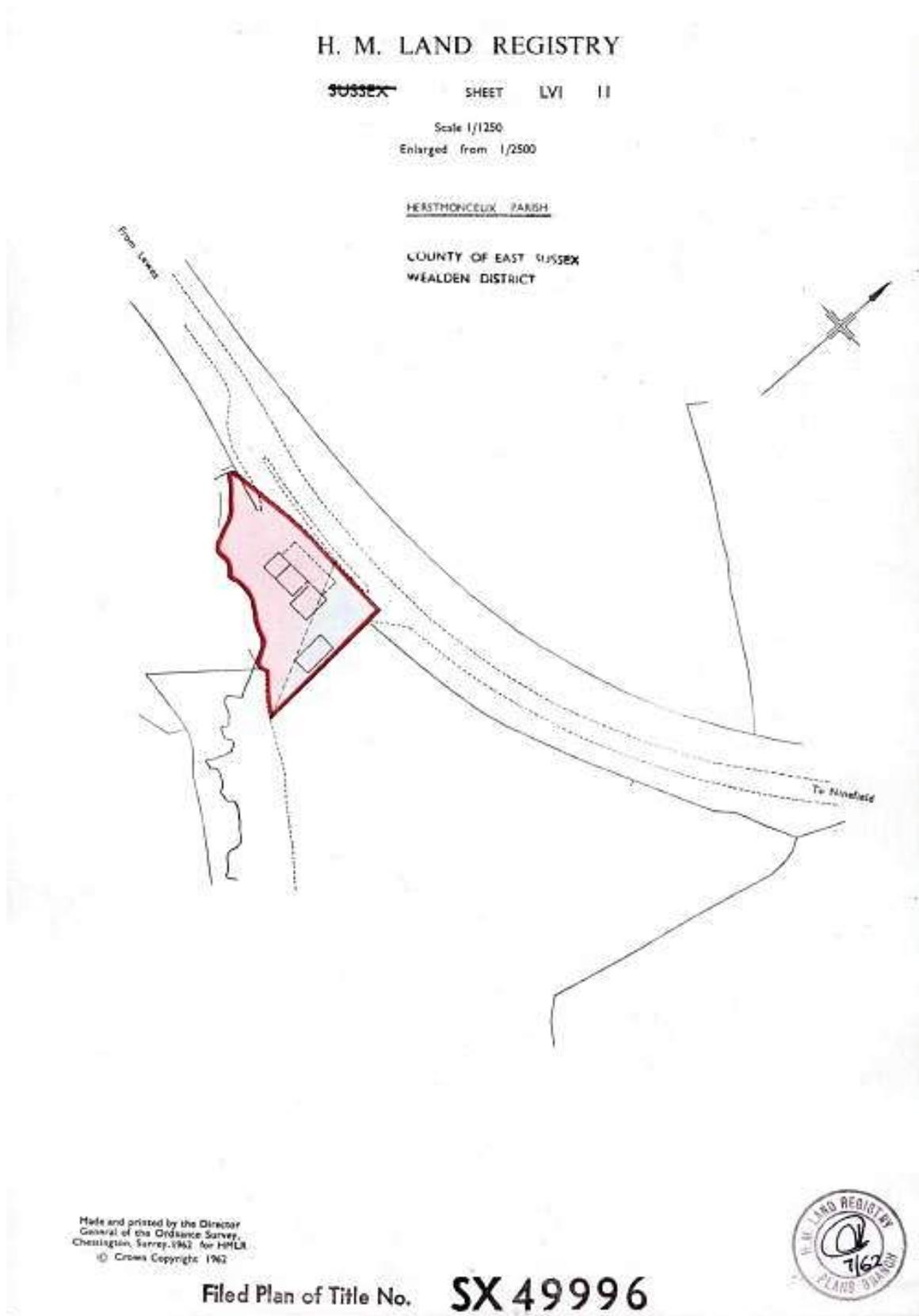
Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU





Title Plans

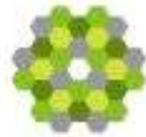
Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU



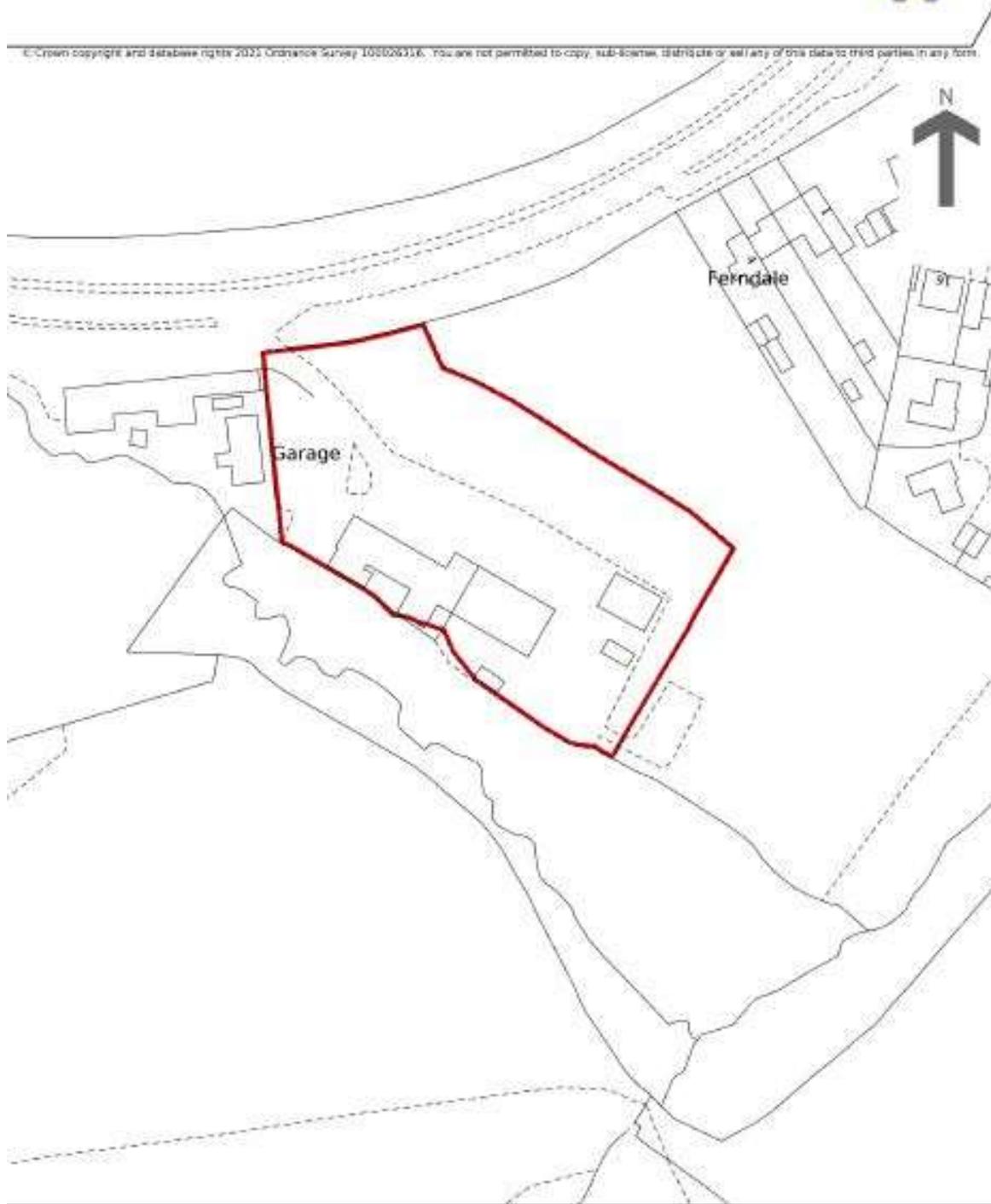
Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU

HM Land Registry
Current title plan

Title number **ESX414225**
Ordnance Survey map reference **TQ6212SE**
Scale **1:1250 enlarged from 1:2500**
Administrative area **East Sussex : Wealden**



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Photographs

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU



Site View, North East Corner towards the West



Site View, North West Corner towards the East



Full Site View, North West to South East



Main Forecourt Building, Front Elevation



Vehicle Fuelling Area



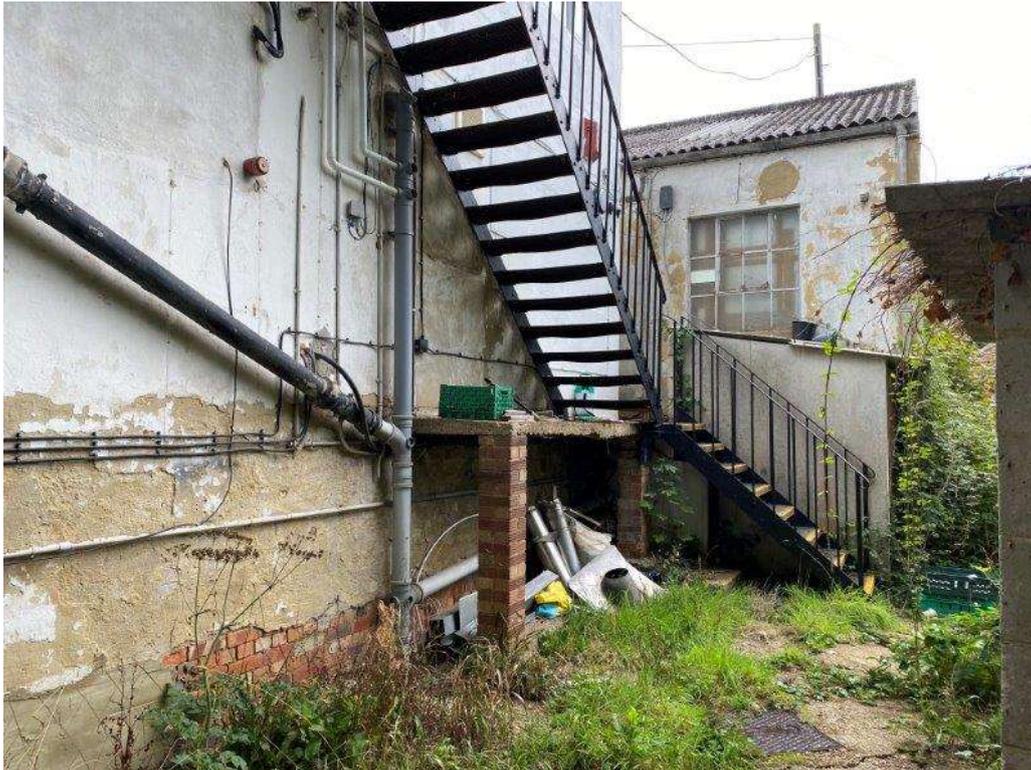
Forecourt Shop Frontage



Amazon Lockers Side (West) Elevation



Main Forecourt Building Rear (South) Elevation



Main Forecourt Building Rear (South) Elevation



Main Retail Sales Area



Retail Sales Counter Area



Main Store Room



Customer Toilet



Disused Office



Disused Office



Lounge, Flat 1



Typical Bedroom, Flat 1



Kitchen, Flat 2



Toilet, Flat 2



Typical Bedroom, Flat 2



Lounge, Flat 2



Bungalow Side (West) Elevation



Bungalow Side (South) Elevation



Kitchen, Bungalow



Lounge, Bungalow



Typical Bedroom, Bungalow

Land To The Side Of Herstmonceux Service Station, Hailsham Road, Hailsham, East Sussex BN27 4JU



View from North to South



North Western Elevation



North Eastern Elevation



North Eastern Elevation



View from East to West



South Eastern Elevation



South Western Elevation



Former Reception Area



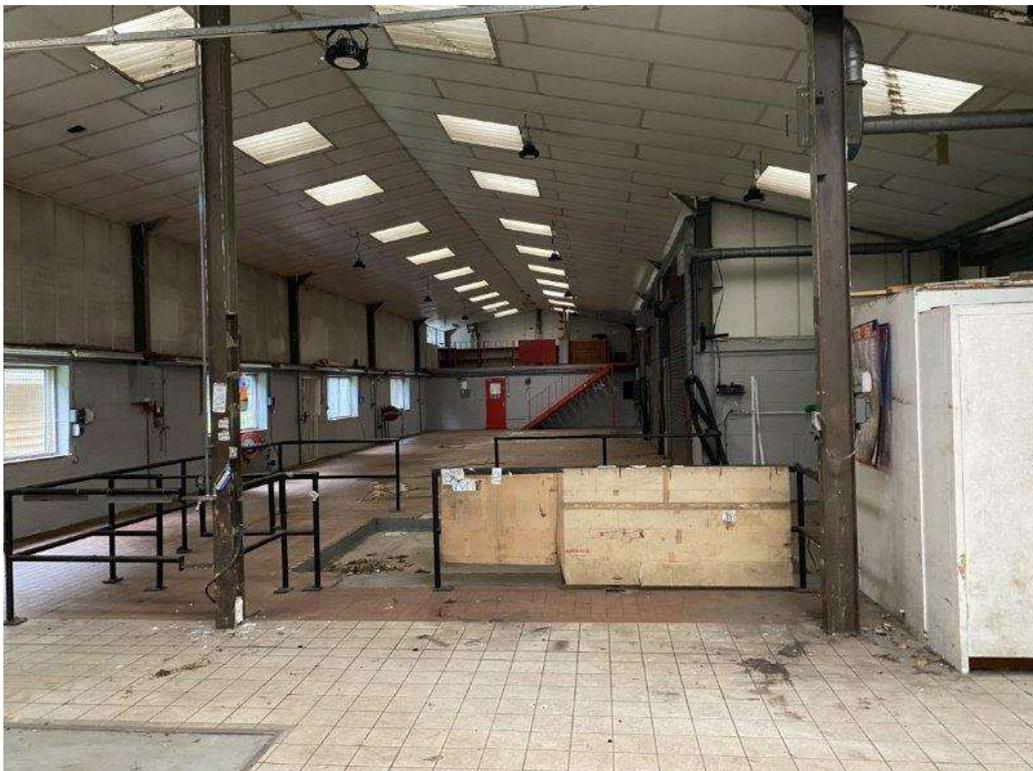
Former Office



Staff Toilet



Main Workshop Accommodation, View from North West to South East



Main Workshop Accommodation, View from South East to North West



Mezzanine Area over Office, etc



Partitioned Workshop Area



Mezzanine over partitioned workshop area



Surfaced Parking area, north eastern edge of site



Surfaced area, portacabin and storage container, south west area



Marquee, south eastern edge of site



Access into property from north



Southern boundary, view from south east to north west from adjacent field

Competition Photographs

Herstmonceux Service Station, Grove Hill, Hailsham, East Sussex, BN27 4JU



Hawkwood Service Station, Hawkwood Rd, Hailsham BN27 1UG



Ninfield Service Station, Bexhill Rd, Ninfield, Battle TN33 9JB

Energy performance certificate (EPC)

Herstmonceux Service Station Hailsham Road Herstmonceux HAILSHAM BN27 4JU	Energy rating D	Valid until: 21 July 2029 Certificate number: 9712-3063-0418-0700-8095
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Property type

B1 Offices and Workshop businesses

Total floor area

934 square metres

Rules on letting this property

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

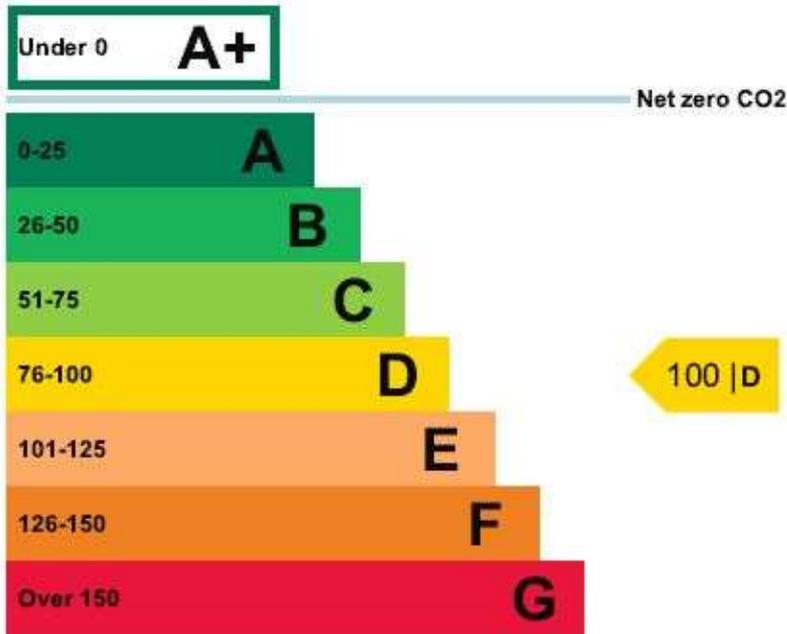
If a property has an energy rating of F or G, the landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.

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).

Energy efficiency rating for this property

This property's current energy rating is 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

28 | B

If typical of the existing stock

81 | D

Breakdown of this property's energy performance

Main heating fuel

Grid Supplied Electricity

Building environment

Heating and Natural Ventilation

Assessment level

3

Building emission rate (kgCO₂/m² per year)

83.67

Primary energy use (kWh/m² per year)

446

▶ [What is primary energy use?](#)

Recommendation report

Guidance on improving the energy performance of this property can be found in the [recommendation report \(\(energy-certificate/0870-0741-1489-2693-0006\)\)](#).

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**

Mr Anthony Light

Telephone

0845 021 2233

Email

anthony@brightenergyreports.co.uk

Accreditation scheme contact details**Accreditation scheme**

Stroma Certification Ltd

Assessor ID

STRO001259

Telephone

0330 124 9660

Email

certification@stroma.com

Assessment details

Employer

Bright Energy Reports

Employer address

PO BOX 218, Eastbourne, BN24 9GN

Assessor's declaration

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

Date of assessment

18 July 2019

Date of certificate

22 July 2019

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 mhcdg.digital-services@communities.gov.uk or call our helpdesk on 020 3829 0748.

There are no related certificates for this property.

Energy performance certificate (EPC)

THE BUNGALOW HERSTMONCEUX SERVICE STATION HAILSHAM ROAD HERSTMONCEUX BN27 4JU	Energy rating E	Valid until: 20 January 2031 Certificate number: 2300-7257-0322-5095-3993
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Property type

Detached bungalow

Total floor area

102 square metres

Rules on letting this property

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

If the property is rated F or G, it cannot be let, unless an exemption has been registered. You can read [guidance for landlords on the regulations and exemptions \(https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance\)](https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance).

Energy efficiency rating for this property

This property's current energy rating is E. It has the potential to be C.

[See how to improve this property's energy performance.](#)

Score	Energy rating	Current	Potential
92+	A		
81-91	B		
69-80	C		75 C
55-68	D		
39-54	E	46 E	
21-38	F		
1-20	G		

The graph shows this property's current and potential energy efficiency.

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

Properties are also given a score. The higher the number the lower your fuel bills are likely to be.

For properties in England and Wales:

- the average energy rating is D
- the average energy score is 60

Breakdown of property's energy performance

This section shows the energy performance for features of this property. The assessment does not consider the condition of a feature and how well it is working.

Each feature is assessed as one of the following:

- very good (most efficient)
- good
- average
- poor
- very poor (least efficient)

When the description says "assumed", it means that the feature could not be inspected and an assumption has been made based on the property's age and type.

Feature	Description	Rating
Wall	Cavity wall, as built, no insulation (assumed)	Poor
Wall	Cavity wall, as built, insulated (assumed)	Good
Roof	Pitched, 25 mm loft insulation	Poor

Feature	Description	Rating
Roof	Flat, insulated (assumed)	Average
Window	Fully double glazed	Good
Main heating	Boiler and radiators, oil	Average
Main heating control	Programmer, room thermostat and TRVs	Good
Hot water	From main system	Average
Lighting	Low energy lighting in all fixed outlets	Very good
Floor	Solid, no insulation (assumed)	N/A
Floor	Suspended, no insulation (assumed)	N/A
Secondary heating	None	N/A

Primary energy use

The primary energy use for this property per year is 245 kilowatt hours per square metre (kWh/m²).

► [What is primary energy use?](#)

Additional information

Additional information about this property:

- Cavity fill is recommended

Environmental impact of this property

This property's current environmental impact rating is E. It has the potential to be D.

Properties are rated in a scale from A to G based on how much carbon dioxide (CO₂) they produce.

Properties with an A rating produce less CO₂ than G rated properties.

An average household produces

6 tonnes of CO₂

This property produces

6.6 tonnes of CO₂

This property's potential production

3.0 tonnes of CO₂

By making the [recommended changes](#), you could reduce this property's CO₂ emissions by 3.6 tonnes per year. This will help to protect the environment.

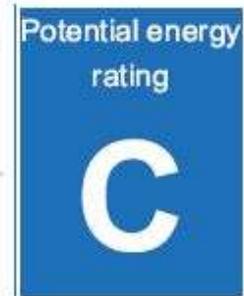
Environmental impact ratings are based on assumptions about average occupancy and energy use. They may not reflect how energy is consumed by the people living at the property.

How to improve this property's energy performance

Making any of the recommended changes will improve this property's energy efficiency.

If you make all of the recommended changes, this will improve the property's energy rating and score from E (46) to C (75).

► [What is an energy rating?](#)



Recommendation 1: Increase loft insulation to 270 mm

Increase loft insulation to 270 mm

Typical installation cost

£100 - £350

Typical yearly saving

£154

Potential rating after carrying out recommendation 1

54 | E

Recommendation 2: Cavity wall insulation

Cavity wall insulation

Typical installation cost

£500 - £1,500

Typical yearly saving

£87

Potential rating after carrying out recommendations 1 and 2

59 | D

Recommendation 3: Floor insulation (suspended floor)

Floor insulation (suspended floor)

Typical installation cost

£800 - £1,200

Typical yearly saving

£24

Potential rating after carrying out recommendations 1 to 3

60 | D

Recommendation 4: Floor insulation (solid floor)

Floor insulation (solid floor)

Typical installation cost

£4,000 - £6,000

Typical yearly saving

£68

Potential rating after carrying out recommendations 1 to 4

64 | D

Recommendation 5: Solar water heating

Solar water heating

Typical installation cost

£4,000 - £6,000

Typical yearly saving

£42

Potential rating after carrying out recommendations 1 to 5

66 | D

Recommendation 6: Solar photovoltaic panels, 2.5 kWp

Solar photovoltaic panels

Typical installation cost

£3,500 - £5,500

Typical yearly saving

£371

Potential rating after carrying out recommendations 1 to 6

75 | C

Paying for energy improvements

[Find energy grants and ways to save energy in your home \(https://www.gov.uk/improve-energy-efficiency\)](https://www.gov.uk/improve-energy-efficiency)

Estimated energy use and potential savings

Estimated yearly energy cost for this property

£1048

Potential saving

£374

The estimated cost shows how much the average household would spend in this property for heating, lighting and hot water. It is not based on how energy is used by the people living at the property.

The estimated saving is based on making all of the recommendations in [how to improve this property's energy performance](#).

For advice on how to reduce your energy bills visit [Simple Energy Advice \(https://www.simpleenergyadvice.org.uk/\)](https://www.simpleenergyadvice.org.uk/).

Heating use in this property

Heating a property usually makes up the majority of energy costs.

Estimated energy used to heat this property

Space heating

14890 kWh per year

Water heating

2245 kWh per year

Potential energy savings by installing insulation

Type of insulation	Amount of energy saved
Loft insulation	2855 kWh per year
Cavity wall insulation	1609 kWh per year

You might be able to receive [Renewable Heat Incentive payments \(https://www.gov.uk/domestic-renewable-heat-incentive\)](https://www.gov.uk/domestic-renewable-heat-incentive). This will help to reduce carbon emissions by replacing your existing heating system with one that generates renewable heat. The estimated energy required for space and water heating will form the basis of the payments.

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

Martyn Keeton

Telephone

0844 8000418

Email

jason@epcpartnership.com

Accreditation scheme contact details

Accreditation scheme

Elmhurst Energy Systems Ltd

Assessor ID

EES/019642

Telephone

01455 883 250

Email

enquiries@elmhurstenergy.co.uk

Assessment details

Assessor's declaration

No related party

Date of assessment

15 January 2021

Date of certificate

21 January 2021

Type of assessment

▶ [RdSAP](#)

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 mhcdg.digital-services@communities.gov.uk or call our helpdesk on 020 3829 0748.

Certificate number

[0560-2855-7832-9591-6965 \(/energy-certificate/0560-2855-7832-9591-6965\)](#)

Valid until

14 July 2029

Energy performance certificate (EPC)

HERSTMONCEUX SERVICE STATION HAILSHAM ROAD HERSTMONCEUX BN27 4JU	Energy rating B	Valid until: 21 January 2031 Certificate number: 6280-0241-5496-3069-0443
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Property type

B1 Offices and Workshop businesses

Total floor area

183 square metres

Rules on letting this property

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

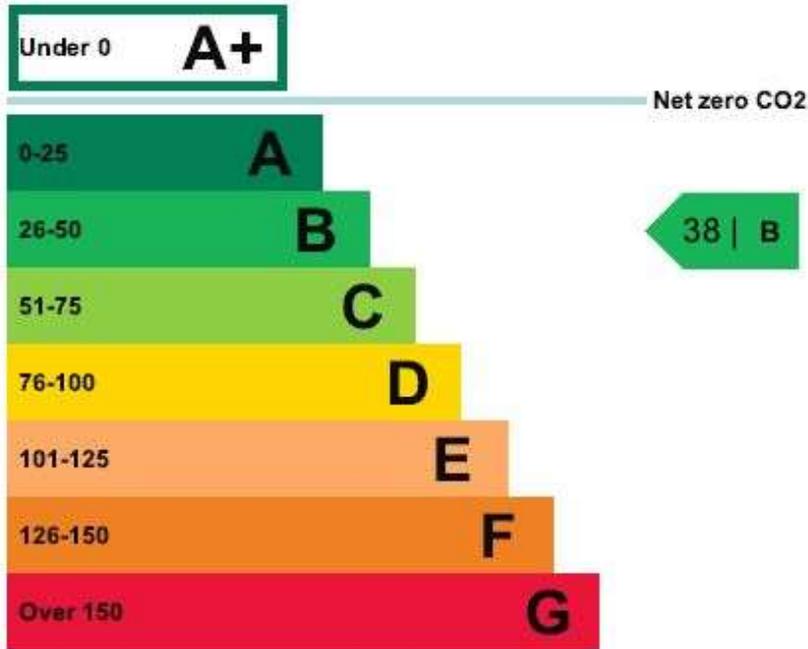
If a property has an energy rating of F or G, the landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.

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/524018/Non-Dom-Private-Rented-Property-Minimum-Standard-Landlord-Guidance.pdf) (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524018/Non-Dom-Private-Rented-Property-Minimum-Standard-Landlord-Guidance.pdf).

Energy efficiency rating for this property

This property's current energy rating is B.



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

21 | A

If typical of the existing stock

61 | C

Breakdown of this property's energy performance

Main heating fuel

Grid Supplied Electricity

Building environment

Air Conditioning

Assessment level3

Building emission rate (kgCO₂/m² per year)61.16

Primary energy use (kWh/m² per year)362

▶ [What is primary energy use?](#)

Recommendation report

Guidance on improving the energy performance of this property can be found in the [recommendation report \(/energy-certificate/9852-2744-8812-2074-8459\)](#).

Contacting the assessor and accreditation scheme

This EPC was created by a qualified energy assessor.

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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**Martyn Keeton

Telephone0844 8000418

Emailjason@epcpartnership.com

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

Assessor ID

EES/019642

Telephone

01455 883 250

Email

enquiries@elmhurstenergy.co.uk

Assessment details

Employer

BakerLife - www.epcpartnership.com

Employer address

BakerLife 10 The Choakles Wootton Northampton NN4 6AP

Assessor's declaration

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

Date of assessment

15 January 2021

Date of certificate

22 January 2021

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 mhcdg.digital-services@communities.gov.uk or call our helpdesk on 020 3829 0748.

There are no related certificates for this property.

Appendix E – Definitions of Value

- RICS Valuation – Global Standards Effective from 31st January 2022 (the “Red Book”) incorporating the International Valuation Standards where appropriate as:
- VPS4 (1.2) Market Value
- The definition of market value as defined in IVS 104 paragraph 30.1 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.’
- 4.1 Market value is a basis of value that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this particular premise of value can be found at section 140 of IVS 104.
- 4.2 It ignores any price distortions caused by special value (an amount that reflects particular attributes of an asset that are only of value to a special purchaser) or marriage value. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. Market rent (see below) applies similar criteria for estimating a recurring payment rather than a capital sum.
- 4.3 In applying market value, regard must also be had to the requirement that the valuation amount reflects the actual market state and circumstances as of the effective valuation date. The full conceptual framework for market value can be found at paragraph 30.2 of IVS 104.
- 4.4 Notwithstanding the disregard of special value, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in market value. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the market value include:
 - the prospect of development where there is no current permission for that development and
 - the prospect of marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.
- 4.5 The impact on value arising by use of an assumption or special assumption should not be confused with the additional value that might be attributed to an asset by a special purchaser.
- 4.6 In some jurisdictions a basis of value described as ‘highest and best use’ is adopted and this may either be defined by statute or established by common practice in individual countries or states.