



Valuation Office Agency  
**District Valuer Services**

**Andrew Larkins BSc (Hons) MRICS**  
**District Valuer North**

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 Your Reference :  
 Our Reference : 1170043/MJL/BKH  
 Please ask for : Mr Horn/Mr Longstaff

Date : 20 December 2007

Dear Mr Wood

**Ford & Hylton Lane Social Club, Poole Road, Pennywell, Sunderland**

I refer to your e-mail dated 5 December 2007 and our recent discussions. I now set out my report for your information:

**PROPOSAL**

Sunderland City Council own the freehold interest of the club site and have granted a 99 year lease commencing on 19 August 1966 to the Ford and Hylton Lane Social Club and Institute Ltd.

It is now proposed that the existing club be demolished and the site redeveloped for residential purposes.

It is understood that the Council intends to sell its freehold interest to the developer.

You require my confirmation that the revised deal represents best consideration under Local Government Act 1972.

**DATE OF VALUATION**

To be the date of this report.

**BASIS OF VALUATION**

This report has been made in accordance with the Practice Statements of the RICS Appraisal and Valuation Standards 5<sup>th</sup> edition so far as they are consistent with your stated and agreed requirements. My valuation calculations have been on the basis of Market Value as defined at Appendix A attached.

**ASSUMPTIONS AND CAVEATS**

For general assumptions see details at Appendix B attached.



## **INSPECTION**

The property was inspected externally on 13 December 2007.

I must point out that no Building Survey has been carried-out, nor have the services been tested, or the roof voids inspected. I have assumed sound structural integrity – but also see comments at the Re-submission section below. However as the building is to be demolished in the present scenario any defects are likely to have a minimal effect.

I have not arranged for investigation to be made to determine whether High Alumina Cement Concrete, Calcium Chloride additive or any other deleterious material, particularly asbestos, has been used in the construction – or if any gaseous emissions such as methane or radon affect the property – and I cannot therefore confirm that the property is free from risk in this regard. For the purposes of this valuation, it has been assumed that any investigation would not reveal the presence of such materials in any adverse condition.

## **SITUATION AND DESCRIPTION**

The club site is situated on Poole Road and is approximately 0.72 acres in area.

The club itself is a brick built building on two floors and was constructed in the 1960s. Only a small part of the ground floor still seems to be in use and the condition of the building is deteriorating.

A surfaced car park serves the building and is surrounded by a brick boundary wall.

The club site is situated in an area of predominantly Council housing and in general is in an area of regeneration. There are presently a number of empty boarded up houses and areas of open space where houses have been demolished in the general area but the houses adjacent to this site appear sound and in generally good to reasonable repair.

The location of the site is shown on the attached plan.

## **ACCESS**

The site has frontage onto Poole Road, Padgate Road and Fordfield Road.

## **SERVICES**

I have assumed that all necessary services are available to the site.

## **PLANNING**

The site does not currently have planning permission for the proposed development and it will be sold to the developer without such permission, but in informal discussions with the local planning authority it is understood that a mix of 2 and 3 bedroom houses would be appropriate with a density of at least 12 houses per acre.

The indications from the informal discussions were that flats are unlikely to be allowed on this site.

## **CONTAMINATION**

Minerals, except coal, are assumed to be conveyed with the surface together with rights of support or compensation in lieu of those not owned.

No mining, geological or other investigations have been undertaken. You have not commissioned a Subsidence Report from this Agency's Mineral Valuer.

For the avoidance of doubt, in making my valuation report, I have assumed that no contamination or potentially contaminative uses have been carried out on or near the property. However, I have not carried out any investigation into the past or present uses, either of the land itself or of neighbouring land/buildings to establish whether there is potential for contamination from these uses or sites to the subject land and I have assumed, therefore, that none exist. Should it, however, be established subsequently that contamination does exist on the subject land, or on any neighbouring land or that past premises or structures have been put to a contaminative use, this might reduce my opinion(s) of value as reported below. Also see comments at Resubmission section below.

## **VAT, TAXATION, COSTS OF ACQUISITION AND REALISATION ETC**

For general assumptions, again, see comments at Appendix B attached.

I understand that Stamp Duty may be payable on this transaction and confirm that this cost will be the responsibility of the Purchaser.

## **VALUATION ASSUMPTIONS**

The development value is clearly dependent on the number and sale prices of the houses that could be built on the site as well as the costs of development.

I have assumed that between 12 and 14 houses could be built and they would be a mixture of 2 and 3 bedroom types.

In terms of sale prices I have looked at the sale prices and current asking prices of similar types of houses on the nearby Havelock Hospital site built by Broseley Homes.

In my opinion prices on the club site would be lower as the Havelock Hospital site is large enough to project a private image whereas the club site is surrounded by Council type housing.

In relation to demolition costs I have assumed a figure in the region of £50,000. This is very much a broad brush estimate on the assumption that there are no abnormal costs such as asbestos removal.

Because of the uncertainties involved I would regard this as a relatively high risk development and this has been taken into account in the valuation.

My valuation relates to the freehold interest only and the leaseholder will need to make his own arrangements regarding the sale of his interest in the site. Whilst planning permission is assumed it has not been granted and my valuation assumes that the sale will be completed before full planning is granted.

## **VALUATION**

Taking all these factors into account I am of the opinion that a figure in the range from £90,000(ninety thousand pounds) to £115,000(One hundred and fifteen thousand pounds) would be appropriate for the sale of the Council's freehold interest in the circumstances set out above.

As your Council is aware, I have to consider my valuation in the context of the best consideration that can reasonably be obtained in compliance with the terms of Section 123 of the Local Government Act 1972. In the absence of the land being offered for sale on the open market, it is not possible to state absolutely that the price is the best reasonably obtainable.

In arriving at my figures I have made a number of assumptions that have a material effect on my valuation. However, on the basis that the scheme proceeds as set out above then I can confirm that the price offered is realistic on the information available and I can confirm that in my opinion it is not likely to be significantly exceeded by a disposal to any other purchaser.

## **VALIDITY**

This report should not be considered as valid for a period in excess of 3 months from the date hereof, nor if there should be a material change of circumstances.

## **STATEMENT**

The valuation has been carried out by an external valuer conforming with the requirements of the RICS Appraisal and Valuation Standards, 5<sup>th</sup> edition.

## **RESUBMISSION**

If any of the above assumptions are incorrect or require alteration you should resubmit this matter for further consideration and possible revaluation as necessary.

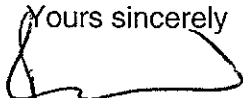
## **DISCLOSURE AND LIABILITY**

This report has been provided for the use of your Council. It is confidential to you and your professional advisers and no responsibility is accepted whatsoever to any third party.

This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A of the Local Government Act 1972 (see Section 1 and Part 1 of Schedule 1 to the Local Government [Access to Information] Act 1985) and your Council is recommended to treat it accordingly.

I hope that the report is helpful but should you wish to query any points arising, please do not hesitate to contact me at the above telephone number.

Yours sincerely



B K Horn MRICS  
District Valuer Services North



**BASIS OF VALUATION**

The basis of valuation adopted in this report is that described in the RICS Appraisal and Valuation Standards (5<sup>th</sup> Edition) as "Market Value" and may be defined as follows:-

*"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

## VALUATION ASSUMPTIONS

Unless expressly stated otherwise in the report, the following assumptions will be made (which the Agency shall be under no duty to verify unless they are prima facie incorrect or unreasonable) in carrying out my valuation: -

1. That no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
2. That good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing;
3. That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant;
4. That inspection of those parts that have not been inspected would neither reveal defects nor cause material alteration to any valuation;
5. That all information provided by you with regard to details of tenure, tenancies, planning consents and all other relevant information is correct. The advice will therefore be dependent on the accuracy of this information and should it prove to be incorrect or inadequate the accuracy of any valuation may be affected, and
6. That no environmental assessment of the property will be provided to or by the Agency, nor is the Agency instructed to arrange consultants to investigate any matters with regard to contamination. It will be assumed that the property (including its site) and neighbouring properties are not contaminated and no search of contaminated land registers will be made. However if an inspection is made and obvious signs of contamination are visible this will be reported to you and further instructions will be requested from you. In such circumstances it is recommended that further investigations are undertaken. *The Agency's Environmental Specialists are available to undertake assessments subject to a separate fee*
7. That no access audit will be undertaken to ascertain compliance with the Disability Discrimination Act 1995. *The Agency's Building Surveyors can undertake such audits subject to a separate fee.*