



**ALEXANDER SCOTLAND  
CHARTERED SURVEYORS**

**COMMERCIAL LEASEHOLD  
VALUATION**

72 Suffolk Street,  
London  
SE1 0BL



The Central Family Court,  
First Avenue House,  
High Holborn  
London  
WC1V 6NP



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## ALEXANDER SCOTLAND CHARTERED SURVEYORS

### 1.0 DESCRIPTION

The property located in Southwark, South of the river Thames in an urban location, close to the London South Circular Road. Southwark Underground Station is a 5 minute walk away.

The subject properties known as 72 Great Suffolk Street is a modern concrete framed building, with a basement, ground and five upper floors. The ground floor and basement are used for commercial offices, with residential use for the upper floors. There are cavity buff brick elevations with a lightweight glazed penthouse construction with a roof terrace.

On the ground floor there is an entrance hallway, with a reception desk, glazed office area, kitchenette, male and female WC's, with stair access to the basement below. The basement is considerably larger and is located below 74 Great Suffolk Street. Within the basement are 2No large open plan offices on either side, central corridor with storage, partly below the stairs and an of office area with glazed wall areas.

Construction briefly comprises:

The building appears to offer quality workplaces approached towards sustainability and environmental issues.

### 2.0 TENURE AND TENANCIES

#### 2.1.1 Ground Floor and Basement

Tenant: NSN Corporation

Described; Established in 2004 to provide a comprehensive Concierge, Security, Lifestyle Management, Property Maintenance, Marketing Suites & Show Apartment Management services, CCTV & Access Control to the residential, corporate and hotel industry. NSN Corporation Ltd identified a gap in the market where developers and managing agents benefited from receiving a cost effective all-encompassing service.

Floor area: 2,200 sq. ft  
Lease term: No lease in place.  
Rent: £30,000plus VAT



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### 2.2 INSTRUCTION

2.2.1	DATE OF INSTRUCTIONS BY LETTER/FAX/TELEPHONE/E-MAIL:	31 <sup>st</sup> August 2018
2.2.2	DATE OF INSPECTION:	14 <sup>th</sup> September 2018
2.2.3	FORMAT OF THE REPORT Prepared in accordance with Part25 of the Family Procedure Rules 2010 and Practice Directors (PD) 25B, 25D and 25E	
	(a) Outline substance of all material Instructions.	To undertake a property valuation following divorce proceedings.
	(b) Statement to confirm we understand our duty to the court	I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge, I confirm are true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
	(c) Confirm the facts and opinions are true	I Stuart Scotland MRICS confirm the facts and opinions are true.
	(d) Qualifications & Experience	Chartered Surveyor and RICS Approved Valuer.
	(e) Summarised conclusions and opinions	See Section 3 Valuation
	(f) Conflict of interest within the disclosed report	I Stuart Scotland MRICS confirm we have no conflict of interest, otherwise than as disclosed in our report

N.B. You are reminded that the report which follows has been prepared in accordance with RICS Specification for Residential Valuations. This entitles the Valuer to make assumptions which may on further investigation, for instance By your legal representative, prove to inaccurate. Any exception is clearly stated below. If a standard assumption or any stated special assumption is found to be incorrect the valuation should be referred to the Valuer for reconsideration. This report should not be relied upon for any other purpose.



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<b>2.3</b>	<b>TENURE:</b>	
2.3.1	Freehold YES/NO – state	No
2.3.2	Leasehold - unexpired term of years	To be verified by the solicitors.
2.3.3	Amount of rent: ground/chief/fixed/variable etc.	To be verified by the solicitors.
2.3.4	Maintenance charge (Approximate)	To be verified by the solicitors.
2.3.5	In cases of the units, is proper management apparent? YES/NO - state	Yes.
2.3.6	State assumptions made where tenure is not confirmed	None.
2.3.7	Other Comments	None.
<b>2.4</b>	<b>TENANCIES</b> (if any). Give details and rent(s):	No Lease in place.
<b>2.5</b>	<b>YEAR OF CONSTRUCTION</b> (Approximate)	To be verified by the solicitors.
<b>2.6</b>	<b>APPARENT CONSTRUCTION</b> (Principal walls, floors and roof of main building):	Pile foundations to concrete ring beam and concrete framework above. Suspended concrete floors and roof to upper levels. There is external brickwork cladding, double glazed casement windows, internal balcony areas, waterproof membrane to the roof terrace above.



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### 2.7 ACCOMMODATION:

<u>Ground Floor</u>	Ceiling Height 2.54
Main Reception	: 4.17m x 2.90m, 1.18m x 2.73m. Stone floor tiles, painted plaster walls with marble wall tiles to the rear of the reception desk area. There is a painted plaster ceiling with pendant light fittings.
Hall Landing towards the Stairs	: 1.17m x 2.90m. Stone floor tiles, painted plaster walls and ceiling.
Glazed Office Area	: 4.97m x 3.6m, 2.25m x 2.74m. Stone floor tiles, painted plaster walls and ceiling, with glazed partitions.
Kitchenette	: 1.83 x 0.72m. Ceramic tiled flooring, white base and wall units, laminate worktop and shelves.
Male WC	: 1.89m x 0.78m. Ceramic tiled flooring, painted plaster walls with ceramic wall tiles, wall mounted wash hand basin and concealed cistern to WC.
Female WC	: 2.30m x 1.48m. Ceramic tiled flooring, painted plaster walls with ceramic wall tiles, wall mounted wash hand basin and concealed cistern to WC with disabled handrails.
Staircase Area	: 2.10m x 3.15m. Stone floor tiles, painted plaster walls and ceilings.
<u>Lower Ground Floor</u>	
Open Plan Office (Below No 74)	: 7.41m x 7.30m. Ceramic floor tiles, painted plaster walls and ceilings.
Open Plan Office (Below 72)	: 4.82m x 7.88m. Ceramic floor tiles, painted plaster walls and ceilings.
Central Corridor	: 7.33m x 1.54m. Ceramic floor tiles, painted plaster walls and ceilings. Storage Cupboard 2.28m x 2.09m.
Side Glazed Office Area	: 3.51m x 6.80m. Ceramic floor tiles, painted plaster walls and ceilings. Glazed internal partitions.
<u>Lower Ground Floor</u>	
Staircase Area	: 2.38m x 4.47m. Stone floor tiles, painted plaster walls and ceiling.
<b>Gross Internal Floor Area</b>	<b>: 2,200 sq. ft.</b>



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2.7.1	<b>GARAGING AND PARKING(S)</b> YES/NO – state if integral, detached or in a remote block	None
2.7.2	<b>OTHER PERMANENT BUILDINGS</b>	None.
2.7.3	<b>SERVICES</b> (State main services believed to be connected):	All main services are connected including gas.
2.7.4	<b>CENTRAL HEATING</b> YES/NO – state if full or part and energy source	YES. There is air conditioning.
<b>2.8</b>	<b>ROADS AND FOOTPATHS</b> (Including flank and/or rear). State if made/partly made/unmade	Roads to be adopted by highways, parking and pathways to the main entrance.
<b>2.9</b>	<b>MATTERS THAT MIGHT AFFECT VALUE</b>	
2.9.1	Obvious evidence of serious disrepair or potential hazard to the property? (not dealt with under Section 11)	None.
2.9.2	Other matters likely materially to affect the value?	None
2.9.3	Is mining search needed? YES/NO – state	No.
2.9.4	Is the property at risk of flooding? YES/NO - state	No, although close to the river Thames.
2.9.5	Is the property in an area where Radon may be present? YES/NO – state	No.
	<b>BUILDING INSURANCE</b> (These reinstatement figures must not be confused with valuation at 17.0)	
2.9.6	Estimate current reinstatement cost in its present form (unless otherwise stated) including garage, outbuildings, site clearance and professional fees, excluding VAT, except on fees.	<b>£550,000</b>



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### MATTERS TO BE CHECKED BY CONVEYANCERS:

(Mark X where appropriate and specify at 16.0)

- |       |  |                                   |
|-------|--|-----------------------------------|
| 2.9.7 | Rights of Way/Easement/Servitudes/Way leaves/<br>Submerged or flying freeholds.<br>(Where apparent on inspection): | N/A                               |
| 2.9.8 | Road Agreements  | Roads may be adopted by Highways. |
| 2.9.9 | Drains/sewers liability  | None.                             |

### 3.0 VALUATION

Our general inspection of the property confirms it appears to be in good order, well finished and maintained. We understand the 2,200 sq.ft property was sold through Field & Sons for £420,000 in June 2013 bare shell and core, which equates to £190/sq.ft. The fit out of the shell would add about £200/sq.ft. equating to about £390/sq.ft

The commercial market in London SE1 has increased in value over the last 5 years by about 6.8% per annum equivalent of around 34% over 5 years, the shell and core would now equate to £254/sq.ft. + fit out at £200/ft. = £455/sq.ft. approx..

Comparable evidence of similar office buildings locally confirms;

- Flag House, 31-33 Tanner Street, London, SE1 3LL is a 1,530sq.ft modern office under offer at £1,150,000 which equates to £750/sq.ft
- Block H Battersea Exchange, Battersea Park Road, Battersea SW8 4BU is a 1,391sq.ft office for sale at £765,000 which equates to £562/sq.ft.
- 25 F Copperfield Street, London SE1 is a 1,450sq.ft period building used for offices has recently sold for £1,175,000, which equates to £810/sq.ft.
- 197 Long Lane, London SE1 is a 8,342sq.ft. is a similar purpose built block with commercial space on the first and ground floor and residential space to floors above. The property is for sale for £5,450,000 which equates to £653/sq.ft.

Therefore our average value for office space is £693/sq.ft. The basement due to lack of sunlight will reduce this value by approx. 50% to £347/sq.ft. Therefore the Ground Floor is £693 x 669 = £464,000 & Lower Ground is £347 x 1,530 = £531,000. Our Average for the 2 floors/2,200sqft. will be £452/sq.ft. which is in line with our £455/sq.ft approx. estimate based on purchase price, 34% growth and fit out costs.



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### Yield & Capital Value Calculation

Occupied Unit Value £452/sq.ft. (Occupied Value) x 2,200 = £994,400

Gross Yield £30,000 (Gross Rental Income)/£994,400 = 3.0%

Average Yield = 3.0%

Capital Value = (Annual Rental Income / Yield) x 100

Annual Rental Income = £30,000

Capital Value = (£30,000/ 3.0%) x 100 (Multiplier) = £1,000,000.

As there are no leases in place so the capital value will be £994,400

17.0      **VALUATION-**      **£994,400 (NINE HUNDRED AND NINETY FOUR THOUSAND POUNDS)**  
Market Value based on capital value and average yields.

### **VALUATION CERTIFICATE**

I certify that the property in this report has been inspected by me, that I valued the property and prepared this report, and that I am not disqualified from reporting on the property.

Signature of Valuer

**STUART SCOTLAND MRICS**

[info@alexanderscotland.com](mailto:info@alexanderscotland.com)

**RICS Approved Valuer**

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20<sup>th</sup> September 2018





## ALEXANDER SCOTLAND CHARTERED SURVEYORS

### VALUATION ASSUMPTIONS

Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

All dimensions and areas are approximate. We have not carried out a building survey nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in a good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making an implied representation or statement about such parts. We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property or has since been incorporated and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this Report we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions. Neither the whole nor any part of the Valuation nor any reference thereto may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

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 property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out 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 subject property from these uses or sites and have therefore assumed that none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported. Where there is high voltage electrical supply equipment close to the property the following should be noted:- The possible effects of electromagnetic fields have been the subject of media coverage, but the National Radiological Protection Board (NRPB), an independent body with responsibility for advising on electromagnetic fields, has concluded that, 'there is no clear evidence of adverse health effects at the levels of electromagnetic fields to which people are normally exposed'. Public perception may, however, affect marketability and future value of the property. If required, technical information can be obtained from the NRPB or the local electricity company.

#### **Abnormal Uncertainty**

Any property valuations reported at the present time contain "abnormal uncertainty" caused by "market instability". RICS Guidance Note 5 (GN5) refers to such circumstances thus:

"Unforeseen macroeconomic or political crises can have a sudden and dramatic effect on markets. This could manifest itself by either panic buying or selling, or simply a disinclination to trade until it is clear how prices in the market will be affected in the longer term. If the valuation date coincides with the immediate aftermath of such an event, the data on which any valuation is based may be confused, incomplete or inconsistent, with an inevitable effect on the certainty that can be attached to it". "The RICS considers that, where uncertainty could have a material effect on the valuation, the Valuer should draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the reported valuation."

Accordingly, please be advised that such circumstances exist and that we have advised you in the context above. As mentioned elsewhere in the report it follows that notwithstanding this wider uncertainty in the financial and certain global economy markets, we necessarily assume debt finance is available in the market on reasonable and acceptable commercial terms. In light of the turmoil in the property sector and general illiquidity in the finance markets, one of the key questions has been to consider who would potentially purchase the property at present. The opinion of value reported represents our best attempt to estimate the current Market Value based on reasonable inputs and fundamentals. However, given the challenges in today's market, there may be a difference between such value and the price achievable, not least because of the limited numbers of active purchasers in the market at present. The valuation of any property asset presents particular challenges at present. Bank finance is vitally important in the overall picture as this has become restricted and increasingly expensive.

#### **Off Shore Trust Holding UK Property**

We would anticipate the reorganisation of Offshore Trusts holding UK property. Many non-doms are already reviewing the ownership of their principal residence in the UK and assess the benefits of the "Principal Private Residence Relief" against the benefits and protection an Offshore Trust Structure provides in respect of protection from UK Inheritance Tax. This is likely to have a material effect on values and marketability but the finer detail of legislation will dictate degree. This will be accentuated by the uncertainty of the government's further proposals – planned for the Finance Bill in April 2013 – include the introduction of an annual charge and an extension to the capital gains tax (CGT) regime. The valuation of the property for annual charges will be self-assessed and independent advice will be required however any improvements to the property may have a net effect to increase the value above the £2m charge threshold.



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**APPENDIX A:  
PHOTOGRAPH SCHEDULE**



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Main reception on the ground floor



Access to the offices below at basement level



## ALEXANDER SCOTLAND CHARTERED SURVEYORS



Ladies/disabled WC



Small kitchenette next to main reception



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