

Valuation**364 High Street Rochester, Kent ME1 1DJ**

Dated 22 October 2021

Purpose of Valuation

To inform the Council's Empty and Derelict Property Officer of the potential cost of the above property, if acquired using Compulsory Purchase powers.

Background

The property has been empty and declining in condition for over 10 years.

All attempts to trace the owner have not been successful. CPO is the only way to bring the property back into commercial use.

Market Value of the property

Existing Use Value			Assumptions:
Full Rental Value pa		£14,202	see 1 below
Owner/occupier			
Market value		£14,202	
yp @	8%	12.50	see 2 below
Capital Value		£177,525	
Owners/disturbance		£20,000	see 3 below
loss of business		0.00	see 4 below
Age of owner		0.00	see 5 below
Add: planning potential			see 6 below
Potential Redevelopment adding 2 No. flats			
2 flats at £150,000 = £300,000		£300,000.00	
development value @ 1/3rd	33%	£99,000	
Subtotal		£276,525.00	
contingency for uncertainty	10%	£27,652.50	
Subtotal		£304,177.50	
Tenants loss payments	0%		see 7 below
Loss payment to owner	10%	£30,417.75	see 8 below
subtotal		£334,595.25	
Estimated Fees (legal and professional fees)	10%	£33,459.53	
Total Assumed claim for purchase of property as CPO Claim		£368,054.78	

Assumptions used in this Valuation:

- 1 Rental Value based on current NNDR Rateable Value
- 2 Yield based on secondary location of property
- 3 Owner's disturbance notional figure
- 4 There has been no visible business for over 10 years
- 5 Not known, but if aged over 60, there may be financial implications.
- 6 The owner would be entitled to any planning potential.
- 7 No tenants have been traced or come forward that could submit a claim
- 8 Owner/occupier entitled to home/loss payment (maximum £75,000).
- 9 No allowance for stamp duty
- 10 No allowance for statutory interest payable if CPO powers used.
- 11 No deductions for condition of property - considered to be poor.
- 12 Valuation prepared on the basis that no business is being carried out at the premises.
- 13 If the owner is over 60, they could force the council to extinguish the business.
- 14 Disturbance, difficult to quantify if a business is in there as we might not be able to see their accounts.
- 15 There may be freehold and leasehold interests to compensate for that we do not know about at the time of valuation.
- 16 Owner/occupier might be able to serve a blight notice as the RV is under £34,800 to force the council to purchase.
- 17 This valuation is valid for six months from the date of preparation.
- 18 The valuation figure does not include obtaining vacant possession from squatters.



Signed: Julie Steere, MRICS
Senior Valuation Surveyor

Agreed

NF 22/10/21

Noel Filmer
Head of Valuation and Asset Management