

24th May 2019

Our Ref: DT/Ardent/99WR

London Borough of Havering
Town Hall
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Romford
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Dear Sirs

RE: Valuation and assessment of Compensation arising from Compulsory Purchase

Property: 99 Waterloo Road, Romford, RM7 0AA
Client: London Borough of Havering

In accordance with your instructions to provide a report and estimate of compensation, we inspected the property on Monday 13th May 2019, following which we have made the relevant enquiries and have pleasure in reporting as follows.

Background to the Instructions

We understand that 99 Waterloo Road (the Property), together with the remaining properties along Waterloo Road form part of the Bridge Close development area.

We understand that on 15th June 2016, the London Borough of Havering agreed that the redevelopment of Bridge Close was to be taken forward as part of the Council's wider regeneration ambitions for Romford town centre, consistent with its Housing Zone status.

On 15th November 2017, the Cabinet of the London Borough of Havering approved a joint venture between the Council and First Base in order to ensure that the highest quality of development is delivered at Bridge Close.

To enable the redevelopment plans to come forward; the Council has resolved to negotiate the purchase of land and property within the proposed development area and, if necessary, use its Compulsory Purchase powers.

Location

The Property is situated within the London Borough of Havering, and lies 0.6 km (0.4 miles) south of Romford town centre and approximately 0.6 km (0.4 miles) north of Queens Hospital. The M25 lies approximately 8km (5 miles) to the northeast.

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Although the Property forms part of a residential terrace, it immediately adjoins the Bridge Close industrial area. Waterloo Road (A125) is a dual carriageway that forms part of the Romford town centre ring road.

Usual amenities, including local shops, schools, and transport links are within easy access. In particular the Property benefits from the proximity of Romford town centre and Romford railway station. Romford Station lies on the Liverpool Street mainline which provides access to the Elizabeth Line (Crossrail) that opened between Shenfield and Liverpool Street in 2017.

Description

The Property forms part of a row of terraced houses, situated along Waterloo Road dating from the 1930s.

The Property is a mid-terraced brick built, pebbledash rendered house with a pitched roof benefiting from access to a front and rear garden. There is a single bay, cast concrete garage, under a slight pitched roof, at the rear of the property with access to Bridge Close. On the ground floor, the house provides a living room to the front, with an open plan kitchen and dining area to the rear of the property. The first floor includes three bedrooms and a small family sized bathroom. The house has a Gross Internal Area (GIA) of approximately 71.2 sq m (766 sq ft).

Floors are exposed laminate wood on the ground floor with carpet on the first floor with the exception of the bathroom which is a vinyl laminate covering. The staircase and first floor landing are carpeted. The accommodation is in generally reasonable condition and decorative order. The kitchen and bathroom are fitted however they are relatively dated, although no major defects in either room were noted. Walls and ceilings are plastered, with a paint finish, with a number of ceilings having an artex finish with the exception of the bathroom and kitchen where walls are part tiled. Windows and external doors are UPVC double-glazed throughout.

All mains services are connected and the property benefits from gas fired central heating which serves radiators throughout the house.

For reference, photographs are attached at Appendix I.

Condition

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 good repair and condition. We cannot express an opinion about, or advice upon, the condition of uninspected parts and this report should not be taken as making any implied representations or statement about such parts. Internally, the property is in fair to average order, with some minor decorative defects noticeable in sections of the accommodation.

Council Tax enquiries

We have made online enquiries of the Valuation Office Agency which states that the property is entered in the Council Tax list as falling within band C, with an annual charge of £1,536.59,.

Tenure

The absolute freehold of the Property is held by Mario Botta and Gaynor Anne Botta (the 'Owner') and is registered under Title number EGL148721. Mr and Mrs Botta acquired the Property on 6th April 2011.

Open Market Value

Method

Our primary method of valuation has been to have regard to comparable market evidence of similar build types that are in relative proximity to the subject property.

In reaching our opinion of the compensation to be paid for the Open Market Value of the property, we have had regard to the provisions of Rule 2, Section 5, of the 1961 Act, which states that:

'The value of the land shall, subject as hereinafter provided, be taken to be the amount which the land if sold in the open market by a willing seller might be expected to realise'.

Comparable Sales

Recent sales involving comparable three bed properties in the immediate and wider area shows that values for houses of a similar type to the Property have sold for between £325,000 and £395,000.

A schedule of comparable sales evidence is attached at Appendix II.

Opinion of Value

Having regard to the comparable evidence referred to, we are of the opinion that the Open Market Value of the freehold interest in the Property, assessed pursuant to Rule 2, Section 5 of the Land Compensation Act 1961, is in the range of £340,000 - £360,000 (**Three Hundred and Forty Thousand and Three Hundred and Sixty Thousand Pounds**).

Basic Loss Payment

Section 33 A (1) Land Compensation Act 1973 stipulates that a person with a qualifying interest in land that is compulsorily acquired, and who is not entitled to a Home Loss Payment is entitled to a Basic Loss Payment. The payment is the lower of 7.5% of the value of the interest up to a maximum of £75,000.

We understand that the Property is currently let and as such the Freeholder would, in the event of compulsory acquisition, be entitled to a Basic Loss Payment equating to 7.5% of the Market Value of his interest.

In line with our opinion of the Open Market Value of the Property, we believe that in the event of compulsory acquisition the Owners would be entitled to a Basic Loss Payment of between £25,500 and £27,750 (**Twenty Five Thousand, Five Hundred Pounds and Twenty Seven Thousand, Seven Hundred and Fifty Pounds**).

Reinvestment

In addition to compensation reflective the Open Market Value of the property interest, landowners who are not in occupation, subject to compulsory acquisition are entitled to compensation for costs incurred in purchasing an alternative UK property investment within 12 months of the compulsory acquisition.

The amount of compensation paid for re-investment costs will depend on the particular circumstances of the Property's owner, but would normally include SDLT, solicitor's fees and surveyor's fees.

Whilst the actual quantum for reinvestment costs varies dependent on the Owner's particular circumstances as well as agreed value for the freehold interest in the Property entitlement for premises

comparable to the Property would, in our judgement fall within the range of £25,000 to 30,000 (Twenty Five Thousand Pounds to Thirty Thousand Pounds).

Professional Fees

Landowners and occupiers affected by compulsory acquisition are entitled to claim compensation for any fees reasonably incurred in negotiating their compensation claim. This might include the cost of valuations for existing dwellings and/or surveyors' fees incurred in negotiating the claim. It may also involve fees for legal advice.

We believe an initial cap of £2,500 + vat for professional fees to be reasonable in this case.

Summary

Having regard to the above, we would estimate your realistic entitlement to compensation in the event of compulsory acquisition would be in the order of:

<i>Open Market Value:</i>	£340,000 – £370,000
<i>Basic Loss Payment:</i>	£25,500 – £27,750
<i>Reinvestment Costs:</i>	£25,000 – £30,000
<i>Professional Fees:</i>	Initial cap £2,500 +VAT
Total:	£393,000 – £430,250

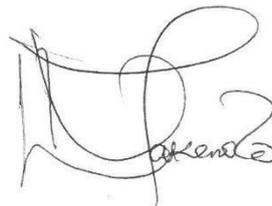
We trust that this report is sufficient for your purposes, but should you require any further advice then please do not hesitate to contact us using the details provided

Yours faithfully

Countersigned:



Dimitris Themistocli MRICS
Senior Surveyor
For and on behalf of Ardent



Fahad Nakendo MRICS
Associate Director
For and on behalf of Ardent