



VALUATION REPORT

**48 Thomas England House
Waterloo Gardens
Romford
Essex
RM7 9BE**

for and on behalf of

The London Borough of Havering

11th April 2019

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Executive Summary



Property	48 Thomas England House, Waterloo Gardens Romford RM7 9BE
Date of Valuation	19 th July 2018
Location	The property is located in a mainly residential area, consisting of mostly social housing and is approximately half a mile south-west of Romford Town Centre. The A12 and A127 are within a short distance, providing access to the national motorway system. Romford TFL station is located within a third of a mile, providing access to the City and Canary Wharf.
Description	A two bedroom purpose built 9 th floor flat within an 11 storey block.
Tenure	Leasehold for a term of 125 years commencing 8 th May 2006 (unexpired term of 112 years).
Basis of Valuation	Market Value with vacant possession.
Market Value	£185,000 (One hundred and eighty five thousand pounds). See note under 14.1
Agreed Purchase Price	£195,000 (One hundred and ninety five thousand pounds).
Market Rent	£13,500 per annum (Thirteen thousand five hundred pounds per annum)

London Borough of Havering
Land and Property Services
Cippenham Road
Harold Hill
Romford
Essex
RM3 8YQ

Our ref: JL/tg/18/5416

11th April 2019

Dear Sirs

Re: Property: 48 Thomas England House, Waterloo Gardens, Romford RM7 9BE

In accordance with your instructions of 4th July 2018, we have pleasure in providing a valuation as follows.

We confirm that the Valuer, Jacqueline Lutterloch BSc MRICS, RICS Membership No. 0092681, has the appropriate knowledge, skills and experience to undertake the valuation competently and is an RICS Registered Valuer.

Please note that we previously inspected the property on 10th August 2017 and 19th July 2018.

Hilbery Chaplin Surveyors Ltd is acting in the capacity of an External Valuer in relation to this instruction.

1.0 INSTRUCTIONS

- 1.1 To provide a report and our opinions of the Market Value (MV) and Market Rent (MR) of the leasehold interest in the above residential property, this being required for acquisition purposes.
- 1.2 The date of our valuation is 19th July 2018. We assume that there have been no material changes to the property since the date of our inspection.
- 1.3 We confirm that we have had no other connection with either the Vendor or the property within the previous 24 months.
- 1.4 We confirm that we have acted independently, with integrity and objectivity and that the report has been prepared in accordance with the RICS Valuation – Global Standards (July 2017 edition).
- 1.5 This valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.



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Sir Malcolm Chaplin CBE MA FRICS, Nicholas Hilbery Chaplin BSc MRICS, Tom Evans MSc MRICS.
CHARTERED SURVEYORS: Aaron Stovell BA (Hons) MRICS, Richard Milliken BSc (Hons) MRICS, Jacqueline Lutterloch BSc MRICS.
PROPERTY MANAGEMENT: John M Pearman. BUSINESS SPACE: John Waller BSc.
Registered Office: Hilbery Chaplin Surveyors Ltd., 86 Market Place, Romford, RM1 3HQ - Registered in England 2665157 - Regulated by RICS

1.6 Basis of Valuation

We have provided opinions of the **Market Value (MV)** and **Market Rent (MR)** of the leasehold interest in the property with vacant possession of all parts.

1.7 Reliance on Information Provided

We have been provided with information by the Vendor and the Local Authority, upon which we have relied. We can take no responsibility for any omissions or misrepresentations made to us.

1.8 Reporting Restrictions

We have not had sight of the Lease.

- 1.9 We have not carried out a building survey nor have we inspected those parts 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 advise upon, the condition of uninspected parts and this report should not be taken as making any implied representations or statement about such parts.

2.0 LOCATION

- 2.1 The property is located in a mainly residential area, consisting of mostly social housing, and is approximately half a mile south-west of Romford Town Centre. The A12 and A127 are within a short distance, providing access to the national motorway system. Romford TFL station is located within a third of a mile, providing access to the City and Canary Wharf.

A general location plan is included within Appendix I, together with a more detailed Land Registry Title Extract and Title Plan within Appendix II.

3.0 DESCRIPTION

- 3.1 The property is a purpose built two bedroom 9th floor flat in an 11 storey block. It is believed to have been built circa 1960.

Internally, there is a hall, kitchen, living room, two good size bedrooms and a family bathroom. The kitchen and sanitary fittings are dated and in need of replacement. Walls are mostly plastered and painted or tiled. The windows are uPVC double glazed units. The property is in fair condition.

Photographs are included within Appendix III.

4.0 CONSTRUCTION

- 4.1 Concrete frame with a solid brick infill. There is a flat roof.

5.0 ACCOMMODATION

- 5.1 The Gross Internal Area, calculated from measurements taken in accordance with the RICS Property Measurement, 2nd Edition, is approximately:

63 sq.m (678 sq.ft)

5.2 The Site

The block sits within a rectangular and level plot.

6.0 SERVICES

- 6.1 The property, as existing, is connected to all main services; however, we would note that we have not carried out any tests as to their condition or adequacy.
- 6.2 Unless otherwise stated, our valuation assumes all services to be in good working order.

7.0 CONDITION

- 7.1 Our instructions did not extend to the carrying out of a building survey and our inspection was restricted with all observations made from ground level.
- 7.2 The property was found to be in fair order throughout, with no obvious defects or outstanding wants of repair noted.
- 7.3 We consider that, given a programme of periodic repairs and annual maintenance, the building will have a minimum physical life of 25 years.

8.0 RATING ENQUIRIES

8.1 Council Tax

We have made enquires of the Council Tax department of the London Borough of Havering from which we are aware that each property as existing is rated Council Tax Band B, which, for the current 2019/2020 year is £1,344.51.

9.0 STATUTORY ENQUIRIES

- 9.1 We confirm the Havering Local Development Framework (LDF) was adopted in 2008. The Council is preparing a new Havering Local Plan to replace the Local Development Framework. Public Consultation on the key issues and priorities for the local plan took place in February 2015. The Council has now published a Local Plan Direction of Travel, which provides an update on the progress of the Local Plan and the timeframe for its delivery.
- 9.2 The property is not believed to be listed, nor does it fall within a Conservation Area or an area of Greenbelt.
- 9.3 We have made online enquiries of the Local Planning Authority and believe all suitable consents to exist for the property in its existing configuration and use. We are not aware of any outstanding planning applications or consents held against the subject property, nor within the immediate surrounding area which may impact upon our opinions of value as reported.
- 9.4 We are not aware of any disputes with the local Planning Authority and we assume that the property benefits from all necessary planning consents and building control approval.
- 9.5 We are not aware of any restrictive planning conditions that would have an effect on the current or future value of the property.
- 9.6 Roads and footpaths providing access to the property are made up and assumed to be adopted by the Local Authority.
- 9.7 No local land charges search has been undertaken in arriving at our valuation and we have assumed that there are no onerous proposals affecting the property.

10.0 ENVIRONMENTAL MATTERS

- 10.1 We are not environmental experts nor have we carried out an environmental audit.
- 10.2 Our limited enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. Should it, however, be established subsequently that contamination exists at the property, or on any neighbouring land, or that the premises have been, or are being, put to contaminative use, this might reduce the values now reported.

Sustainability

- 10.3 The Energy Act 2011 states that from 1 April 2008 it will not be lawful for landlords of both commercial and residential properties to grant new leases or renew existing leases of 'substandard' buildings until sufficient energy improvements have been made. Substandard buildings are defined as those with an "F" grading or below. The requirement will be extended to all leased buildings from April 2023.
- 10.4 The requirements are subject to certain exemptions, for example, in relation to listed buildings or if the necessary consents for the required works cannot be obtained. Any obligation to undertake improvements works is also effectively capped by a cost-effective test. The test broadly stipulates that if the cost of the recommended improvement works is less than the anticipated energy cost saving over a seven year period, they will be deemed to be cost-effective.
- 10.5 We have had sight of an Energy Performance Certificate relating to the property. The property has a current Energy Efficient Rating within band D68, with potential to achieve a Rating within band C72, if certain recommendations are undertaken.

Flooding

- 10.6 We have consulted with online information available from the Environment Agency, which identifies the subject property as being located in an area which has a very low risk of flooding from Rivers and Sea, and in an area which has a low risk from surface water flooding.
- 10.7 The chance of flooding each year in a very low risk area is stated as less than 1 in 1,000 (0.1%). The chance of flooding each year in a low risk area is stated as being between 0.1% and 1%.
- 10.8 The above takes into account the effect of any flood defences that may be in the area. Flood defences reduce, but do not completely stop, the chance of flooding, as they can be over-topped or fail.
- 10.9 It is recommended that enquiries be made to ensure that appropriate insurance cover can be secured at commercial rates.

Asbestos

- 10.9 The property is of an age and form of construction whereby asbestos containing materials are likely to have been incorporated either within the building structure or the associated services although this cannot be confirmed within the limits of our inspection. This matter is, therefore, noted for your information only.
- 10.10 Asbestos as a material presents little or no hazard to health if maintained in good condition. However, it should be noted that the maintenance of asbestos materials will require the use of specialist contractors, the costs of which can be considerably higher than for the treatment of other types of building materials and this can impact upon value.

Unless otherwise stated, we have assumed there to be no significant asbestos containing materials present to the extent that they would affect the value or marketability of the property.

Japanese Knotweed

- 10.11 We confirm that no Japanese Knotweed was noted within the curtilage of the property, or neighbouring property, that we could identify in those areas that were accessible.

Unless otherwise stated, our valuation assumes that there are no issues concerning Japanese Knotweed or other invasive species present that may pose a threat to the fabric of the property.

11.0. HIGHWAYS

- 11.1 Roads and footpaths are made up and assumed to be adopted by the Local Authority.

12.0 TENURE

- 12.1 Leasehold.
- 12.2 We have not had sight of the Title Deeds or any Reports on Title and we have assumed that they contain no onerous covenants which will have an adverse effect on the value, marketability or future use of the property, although we recommend this be confirmed by your legal advisors.
- 12.3 The Title indicates that the lease is for a term of 125 years from 8th May 2006; therefore having approximately 112 years unexpired. There is a ground rent of £10 per annum, which we have assumed is fixed for the duration of the term. The freeholder is recorded as the London Borough of Havering.
- 12.4 Should the information provided or assumptions made prove to be incorrect then we reserve the right to review our opinion of value.

13.0 SUMMARY AND RECOMMENDATIONS

13.1 Local Market Conditions

The June 2018 RICS Residential Market Survey results continue to point to a broadly stable picture, at least as far as the headline numbers are concerned. However, the generally subdued tone to the aggregated data is still masking materially divergent trends at a more localised level.

Significantly, the Newly Agreed Sales net balance reading of -7% was the sixteenth successive month in which this metric produced a negative result. This series has a good record as a lead indicator (by around two quarters) of HMRC and Land Registry transactions data and suggests that the modestly softer trend in sales volumes compared with last year (around three per cent lower) will persist over the coming months. Consistent with this generally uninspiring picture is the rise in time it is taking to complete a property sale from initial listing. This has edged up on the RICS measure from around sixteen weeks in the spring of last year to around eighteen weeks on average at present.

The Residential Survey has in the past highlighted a lack of available second-hand stock as a key impediment to the efficient functioning of the market. It would be presumptuous to conclude at this point that this issue is lessening in importance as an obstacle, particularly as the average inventory of unsold supply per estate agent branch still remains close to historic lows at 43. This series has, however, edged up in each of the last four months, albeit only very marginally.

Disaggregating the data, it is noticeable that, with the exception of London (-41% net balance), the South East (-27% and East Anglia (-10%) all other parts of the country are recording results consistent with further (if in most cases modest) house price growth. The Newly Agreed Sales data is displaying a little more monthly volatility at a country/regional level but the South East is showing the most consistent negative set of results with London not far behind.

14.0 OPINION OF VALUE

14.1 Market Value

We are of the opinion that the **Market Value** of the leasehold interest in **48 Thomas England House, Waterloo Gardens, Romford RM7 9BE** at the date of valuation, assuming vacant possession of all parts is:-

£185,000
(One hundred and eighty five thousand pounds)

We confirm that we have taken the following evidence into consideration:

278 Haynes Park Court, Slewins Lane, RM11: 2 bedroom flat in a 12 storey Local Authority block. The property is in excellent condition and the sale was completed on 17th December 2018 for £215,000.

36 Dryden Towers, Heaton Avenue RM3: 2 bedroom 9th floor flat in a 15 storey Local Authority block. The property is in fair condition. A sale was agreed in April 2018 for £170,000.

16 Thomas England House, RM7: 2 bedroom third floor flat in a Local Authority block. The property is in average condition and the sale was completed on 18th May 2017 for £170,000.

39 Thomas England House, RM7: 2 bedroom flat in a Local Authority block. The property is in good condition and the sale was completed on the 27th September 2017 for £180,000.

Notes:

The property was first inspected on the 10th August 2017. Negotiations with the Leaseholder took place but no agreement was reached at that time.

On 4th July 2018 we received instructions from the London Borough of Havering to provide an updated Market Appraisal, and the property was re-inspected on the 19th July 2018.

In our opinion the Market Value of the property remains in line with our most recent Market Appraisal at £185,000 but, following further negotiations with the Leaseholder's Surveyor, agreement has been reached at **£195,000 (one hundred and ninety five thousand pounds)** as a compromise. This has been agreed by the London Borough of Havering and is within an acceptable tolerance.

14.2 Definition of Market Value

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.

14.3 Market Rent

We are of the opinion that the current **Market Rent** of the leasehold interest in the property, assuming vacant possession of all parts, is:-

£13,500 per annum
(Thirteen thousand five hundred pounds per annum)

We confirm that we have taken the following evidence into consideration:

Pulse Court, RM1: 2 bedroom third floor flat within a 5 storey modern block. The property is in fair condition and has recently been let for £15,000 per annum.

Heybridge Court, London Road, RM7: A ground floor flat within a 3 storey block. The property is in good condition. It was first listed on 28th February 2019 and a let has been agreed at £14,340 per annum.

Maxwell Road, RM7: 2 bedroom fourth floor flat within a modern 5 storey block. The property is in good condition. A let has been agreed at £13,800 per annum.

14.4 Residential

To comply with the definition of the VPS4 Bases of Value, Assumptions and Special Assumptions of the RICS Valuation – Global Standards, we have made a Special Assumption that the premises would be let unfurnished on a six month Assured Shorthold Tenancy.

14.5 Definition of Market Rent

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

15.0 GENERALLY

- 15.1 We trust that this report is sufficient for your present purposes and we must state that our valuation has been based upon the limited information available to us and the limited investigations we have been able to undertake since receipt of the instructions.
- 15.2 We have not carried out a structural survey nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that any such part of the property is free from defect.
- 15.3 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 valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.
- 15.4 We have excluded from our opinion of value any amount attributable to trade furnishings, fixtures and fittings unless stated otherwise.
- 15.5 We have assumed that the property is unaffected by any statutory notice and that neither the property nor its use or its intended use give rise to a contravention of any statutory requirement.
- 15.6 No allowance has been made in the above valuation for any tax, VAT or expenses which may be incurred as a result of the disposal of the property.

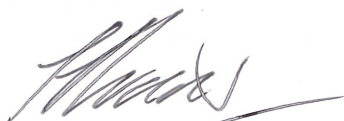
- 15.7 This report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the client in respect of that purpose but the client shall not disclose the report to any other person.
- 15.8 Neither the whole nor any part of this valuation report 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.

Yours faithfully



**Jacqueline Lutterloch, BSc MRICS – RICS Registered Valuer
For Hilbery Chaplin**

email: jlutterloch@hilberychaplin.co.uk
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Counter Signed:



**Tom Evans MSc. MRICS – RICS Registered Valuer
For Hilbery Chaplin**

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APPENDIX I

LOCATION PLAN

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

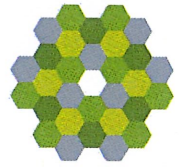
This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

This official copy is issued on 12 June 2017 shows the state of this title plan on 12 June 2017 at 15:56:01. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. This title is dealt with by the HM Land Registry, Birkenhead Office .

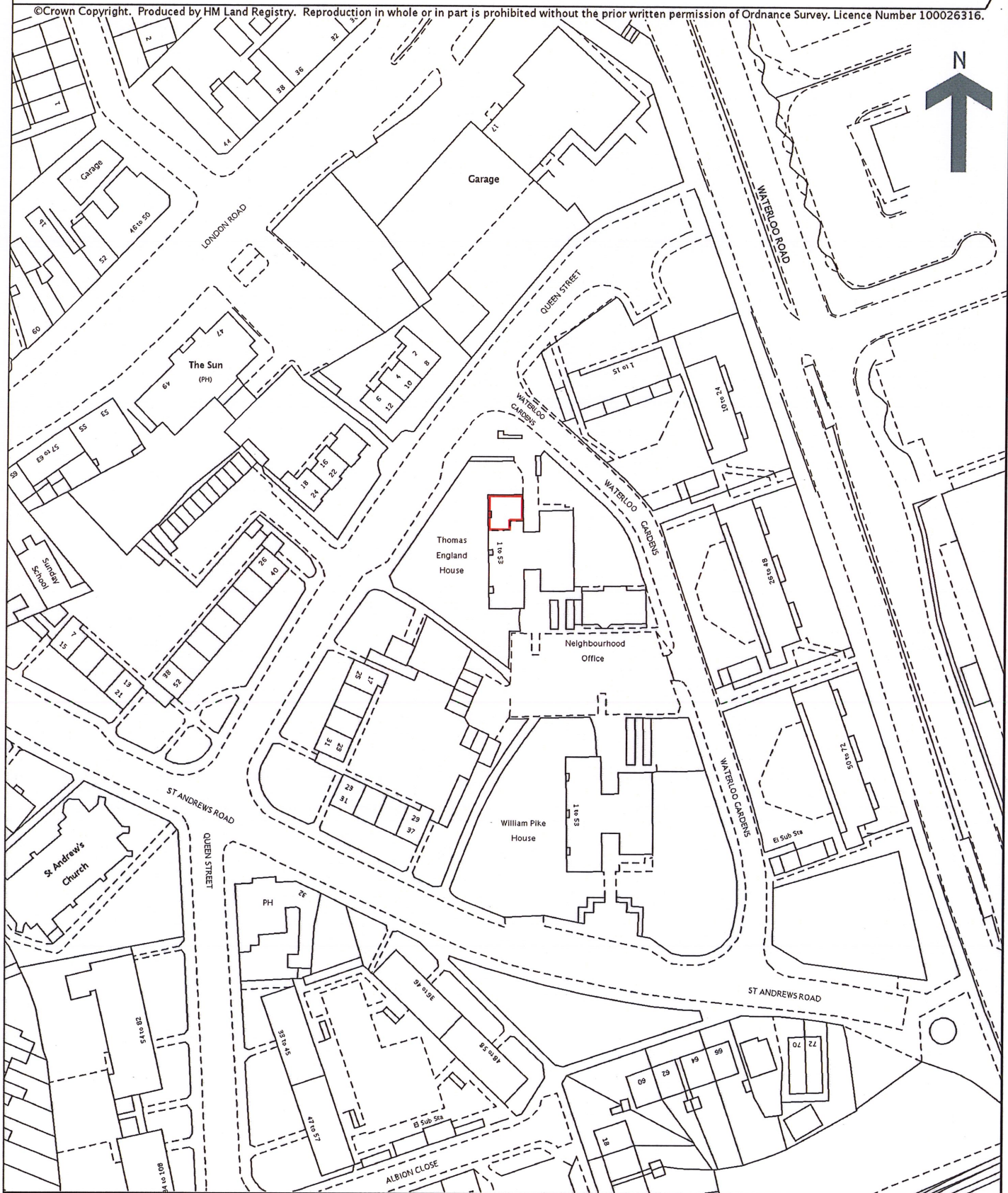
HM Land Registry

Official copy of title plan

Title number **EGL506414**
Ordnance Survey map reference **TQ5088SE**
Scale **1:1250**
Administrative area **Havering**



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APPENDIX II

LAND REGISTRY TITLE EXTRACT

The electronic official copy of the register follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.



Official copy of register of title

Title number EGL506414

Edition date 20.12.2010

- This official copy shows the entries on the register of title on 12 JUN 2017 at 15:56:01.
- This date must be quoted as the "search from date" in any official search application based on this copy.
- The date at the beginning of an entry is the date on which the entry was made in the register.
- Issued on 12 Jun 2017.
- Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.
- This title is dealt with by HM Land Registry, Birkenhead Office.

A: Property Register

This register describes the land and estate comprised in the title. Except as mentioned below, the title includes any legal easements granted by the registered lease but is subject to any rights that it reserves, so far as those easements and rights exist and benefit or affect the registered land.

HAVERING

- 1 (10.07.2006) The Leasehold land shown edged with red on the plan of the above title filed at the Registry and being 48 Thomas England House, Waterloo Gardens, Romford (RM7 9BE).

NOTE: Only the ninth floor flat is included in this title.

- 2 (10.07.2006) Short particulars of the lease(s) (or under-lease(s)) under which the land is held:
Date : 8 May 2006
Term : 125 years from 8 May 2006
Parties : (1) The Mayor And Burgesses Of The London Borough Of Havering
(2) Patrick Doherty

- 3 (10.07.2006) The registered lease is made pursuant to Part V of the Housing Act 1985 and the title includes the legal easements granted by the registered lease but is subject to any rights that are granted or reserved by the said lease and affect the registered land.

In addition the land has the benefit of but is subject to the easements and rights specified in paragraph 2 of Schedule 6 to the said Act.

- 4 (10.07.2006) The title includes any legal easements granted by the registered lease but is subject to any rights that are granted or reserved by the said lease and affect the registered land.
- 5 (20.12.2010) The landlord's title is registered.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title number EGL506414

Title absolute

- 1 (10.07.2006) PROPRIETOR: PATRICK DOHERTY of 48 Thomas England House, Waterloo Gardens, Romford, Essex RM7 9BE.
- 2 (10.07.2006) The price, other than rents, stated to have been paid on the grant of the lease was £17,600.
- 3 (10.07.2006) RESTRICTION: No transfer or lease of the registered estate dated before 8 May 2016 by the proprietor of the registered estate or by the proprietor of any registered charge is to be completed by registration unless accompanied by
 - (a) a certificate given by the Mayor and Burgesses of the London Borough of Havering that the transfer or lease complies with the requirements of section 156A of the Housing Act 1985 or that the transfer or lease is an exempted disposal or is not a relevant disposal, or
 - (b) a certificate given by a person who confirms that he is the person in whom the reversionary interest is now vested (if that person is not the original disposing authority), and that the transfer or lease complies with the requirements of section 156A of the Housing Act 1985 or is either an exempted disposal or is not a relevant disposal.

C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 (10.07.2006) Charge subsisting until 8 May 2011 having the priority specified in section 156 of the Housing Act 1985 to secure the liability under the covenant to repay discount contained in the lease dated 8 May 2006 under which the land is held.
- 2 (10.07.2006) REGISTERED CHARGE dated 8 May 2006.
- 3 (10.07.2006) Proprietor: THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HAVERING of Town Hall, Main Road, Romford RM1 3BD.

End of register

APPENDIX III

PHOTOGRAPHS

48 Thomas England House, Romford RM7 9BE



10 August 2017

48 Thomas England House, Romford RM7 9BE



10 August 2017

48 Thomas England House, Romford RM7 9BE



10 August 2017

48 Thomas England House, Romford RM7 9BE



10 August 2017