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**BRIAN DADD COMMERCIAL**  
CHARTERED SURVEYORS

Miss C Spencer  
James Hay Pension Trustees Limited  
Rowanmoor House  
46-50 Castle Street  
Salisbury SP1 3TS

5 February 2002

Dear Miss Spencer

**Re: CDT Executive Pension Scheme**  
**Property: 21 Brownlow Mews, London**

Further to your instructions please find enclosed my valuation report together with a copy of our Terms and Conditions previously signed by your client together with my invoice.

If you require any additional information please let me know.

Yours sincerely

RICHARD P WELLS  
BRIAN DADD COMMERCIAL

Enc Valuation  
Terms & Conditions  
Invoice

cc: Ashwin Raithatha Esq, CDT, 21 Brownlow Mews, London WC1 + Copy Invoice



**RICS**

Brian Dadd FRICS, Dip.T.P., MRTPI, D.M.S., ACI Arb.  
Michael D. Catton B.Sc. (Hons) FRICS  
Richard P. Wells B.Sc. FRICS

J.R.M. Newsome B.Sc. (Hons) MRICS

VAT Reg. Number 387 7449 88

**BRIAN DADD COMMERCIAL**  
CHARTERED SURVEYORS

----INVOICE----

CDT Executive  
Pension Scheme  
c/o James Hay  
Rowanmoor House  
46-50 Castle Street  
Salisbury SP1 3TS

Invoice No:  
Invoice Date  
Customer ref:  
Account No:

Our reference:  
3/4018

Re: 21 Brownlow Mews, London WC1

To:  
Professional services rendered in  
taking instructions, reading lease,  
inspecting property and undertaking  
a formal valuation.

Sub Total

Total VAT Amount

Invoice Total



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The Trustees of CDT Executive Pension Scheme  
c/o James Hay  
Rowanmoor House  
46-50 Castle Street  
Salisbury  
SP1 3TS  
FAO: Miss C Spencer

5 February 2002

Our ref: RPW/s/Trustees of CDT Executive Pension Scheme

Dear Sirs,

**re: Customer: Trustees to CDT Executive Pension Scheme**  
**Property: 21 Brownlow Mews, London WC1**  
**Valuation for Pension Fund Purposes**

**1.0 Instructions**

- 1.1 Acting in accordance with your instructions dated 12<sup>th</sup> November and subject to our standard terms and conditions dated 5<sup>th</sup> December 2001, we have inspected the above property and now set out below our opinion of value on behalf of the Trustees to CDT Executive Pension Scheme.
- 1.2 Our inspection was undertaken by our Mr Wells on 29<sup>th</sup> November 2001 the date of our valuation.
- 1.3 We confirm that this valuation is prepared in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. We confirm that in this respect we are acting as independent external valuers.
- 1.4 As instructed, we have not carried out a structural survey of the property nor have we carried out an environmental audit or soil survey.
- 1.5 This valuation report is provided for the stated purpose and for the sole use of the Trustees to the CDT Executive Pension Scheme.
- 1.6 Neither the whole nor any part of this report may be included in any published document, circular or statement or published in any way without the valuer's written approval of the form and context in which it may appear.
- 1.7 No allowance has been made for the cost of disposal, nor for any liability for taxation which may arise on disposal, whether actual or notional.

continued/



Customer: Trustees to CDT Executive Pension Scheme  
21 Brownlow Mews, London, WC1  
5<sup>th</sup> February 2002

## **2.0 Location**

- 2.1 The premises is located in Brownlow Mews close to the Junction of Guildford Street and Grays Inn Road.
- 2.2 Brownlow Mews comprises a mixed residential and commercial area with original properties built over one hundred year ago together with some modern in-fill development.
- 2.3 Brownlow Mews is situated in a Central London location and is within walking distance of Chancery Lane and Kings Cross stations.

## **3.0 Description**

- 3.1 The property comprises a two storey mews building with single storey rear extension with brick elevations and under a pitched tiled roof and glazed roof to the single storey extension.
- 3.2 The ground and first floor accommodation is used for B1 office space and retains many of the original features.

The ground floor has recently been refurbished which included the removal of a recording studio.

- 3.3 The building occupies the entire site with no off street parking.

## **4.0 Accommodation**

- 4.1 The accommodation comprises :

First Floor (occupied by CDT)	269.13 m <sup>2</sup>	(2,897 sq ft)
Ground Floor		
Front Section (occupied by CDT)	46.82 m <sup>2</sup>	(504 sq ft)
Rear Office (Sublet)	166.38 m <sup>2</sup>	(1,791 sq ft)
Front Office (Sublet)	109.9 m <sup>2</sup>	(1,183 sq ft)
<b>Total:</b>	<b>592.23 m<sup>2</sup></b>	<b>(6,375 sq ft)</b>

## **5.0 Construction And Condition**

- 5.1 We have not carried out a structural survey nor have we inspected woodwork and other parts of the property which are covered, unexposed or inaccessible and such parts are assumed to be in good repair and condition. This report does not purport to express an opinion nor to advise upon the condition of uninspected parts and it 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 high alumina cement or calcium chloride additive or any other potential deleterious material has been used in the construction of the 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 purposes of this valuation we have assumed that such investigation would not disclose the presence of any such material in any adverse condition.

continued/

Customer: Trustees to CDT Executive Pension Scheme  
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5.2 Our inspection of the building was restricted due to ivy growing on external brickwork.

#### **6.0 Environmental Issues and Contamination**

6.1 Our enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it 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 any contaminative use, this might reduce the value now recorded.

#### **7.0 Services**

7.1 We have not carried out any specific tests on services and are therefore unable to confirm their condition.

#### **8.0 Use**

8.1 At the time of our inspection, the ground and first floor were being used as offices.

#### **9.0 Planning & Statutory Matters**

9.1 We have made verbal enquiries with Camden Planning Department who were unable to confirm the current use of the building and for the purposes of this report we have assumed that the property has an established B1 use.

9.2 The Duty Planning Officer at Camden confirmed that the Local Authority would resist change of use from B1 to residential.

9.3 For the purpose of this report we have assumed that Brownlow Mews is adopted and that the premises benefit from full access.

#### **10.0 Rating**

10.1 From verbal enquiries with Camden Council we are advised that the premises have the following rateable values under the 2000 Valuation List:

21 Brownlow Mews, Ground Floor Left & First Floor:  
20a Brownlow Mews, Ground Floor Right :  
20a Brownlow Mews, Ground Floor Rear:



#### **11.0 Tenure**

11.1 We understand the property is freehold although we have not carried out a formal search of the title nor have we had sight of the title deeds.

11.2 We have further assumed that there are no onerous or restrictive covenants attached to the title.

continued/

Customer: Trustees to CDT Executive Pension Scheme  
21 Brownlow Mews, London, WC1  
5<sup>th</sup> February 2002

## **12.0 Tenancies**

12.1 The entire premises known as **21 Brownlow Mews** is let under a lease dated 7<sup>th</sup> August 2000 between James Hay Pension Trustees Ltd and CDT Design Ltd on the following terms.

i) The lease is for a term of 9 years from the 14<sup>th</sup> July 2000 with rent payable quarterly in advance.

ii) **Lessee's Covenants:**

- a) To paint the exterior and interior of the premises in every third year of the term and to keep the whole of the demised premises and all additions thereto and fixtures and fittings in the demised premises well and substantially repaired maintained renewed amended cleansed and decorated.
- b) To pay a fair proportion of the expenses payable in respect of repairing rebuilding maintaining painting amending lighting and cleansing all party walls fences stairs passages roofs structures gutter sewers kerbs channels pipes drains service areas and other things the use of which is common to the demised premises.
- c) Not to use or permit or suffer the demised premises or any part thereof to be used except for any one within Class B1 of the Town and Country Planning (Use Classes Order 1987).
- d) Not at anytime to assign transfer charge under let (accept as hereinafter permitted) share or part with possession or occupation of part only of the demised premises.
- e) Not to assign the whole of the demised premises without prior written consent of the lessor (such consent not to be unreasonably withheld).
- f) Not to under let or part with possession or permit the occupation by a licensee of the demised premises as a whole or in part unless in the case of any such under letting the lessee is made party to the licence for the under lease and enters into a direct covenant with the lessor to perform and observe all the covenants of the tenants part and the rent reserved by the under lease is the full open market rent without taking fine or premium and in the case of any such under letting the provisions of Sections 24 to 28 exclusive of the Landlord & Tenant Act 1954 are excluded.
- g) The tenant is to reimburse the landlords costs in insuring the building.

iii) **Lessors Covenants:** The lessor hereby covenants with the lessee to insure and keep insured the demised premises against loss or damage.

iv) The lease is excluded from protection under the Landlord & Tenant Act 1954 under a Court Order made on the 27<sup>th</sup> July 2000.

v) Under the Second Schedule the rent is subject to review as at 14<sup>th</sup> July 2003 and 2006.

vi) The yearly rent payable during the first rent period is [REDACTED]

The yearly rent payable during each rent period shall be equal to the greater of the following:

- i) The rent payable during the immediately proceeding rent period and:
- ii) the open market rental which the demised premises might reasonably be expected to let on the rent provision date on the open market by a willing landlord to a willing tenant.

vii) The Directors of CDT Design Ltd are not guarantees under the lease.

continued/



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12.3 **Sub Tenancies:** The front ground floor premises known as **20a Brownlow Mews** is sublet under a lease dated 13<sup>th</sup> August 2000 between CDT Design Ltd and Interface Media Ltd on the following terms:

- a) The lease is for a term of six years from the 31<sup>st</sup> August 2000 with rent payable quarterly in advance and also yielding and paying as further rent service charge together with insurance.
- b) The tenant is required to paint the interior of the premises every three years and to keep the interior of the demised premises and all additions made thereto and fixtures and fittings in the demised premises well and substantially repaired maintained renewed amended cleansed and decorated.
- c) Not to use or suffer the demised premises or any part thereof to be used accept for the purposes of Class B1 of the Town & Country Planning (Use Classes) Order 1987.
- d) The lease is excluded from protection under the Landlord & Tenant Act 1954 by way of a Court Order dated 16<sup>th</sup> August 2000.
- e) If either party hereto shall desire to determine the term hereby granted at the end of the fifth year of the term and shall give the other not less than six months previous notice in writing of such desire and in the case of the lessee shall up to the time of such determination pay the rent herein before reserved and contained and have complied with its covenants contained herein and in the case of either the lessor or the lessee giving such notice the demised premises shall be given up with vacant possession.
- f) Under the Second Schedule the yearly rent payable during the first rent period shall be [REDACTED] with the rent being subject to upward only rent review as at the 31<sup>st</sup> August 2003.
- g) The annual service charge is defined under the Third Schedule.

12.4 The ground floor rear known as **20A Brownlow Mews** is let on an under lease dated 25<sup>th</sup> July 2001 between CDT Design Ltd and Atlanta Technology Ltd on the following terms:

- a) The lease commences on the 25<sup>th</sup> day of July 2001 for a term of five years, rent payable quarterly in advance together with service charge and insurance.
- b) The tenants are required to decorate the interior every three years and to keep the interior of the demised premises and all additions made thereto and fixtures and fittings in the demised premises well and substantially repaired maintained renewed amended cleansed and decorated.
- c) Not to use the premises or any part thereof to be used except for purposes of B1 of the Town & Country Planning (Use Classes) Order 1987.
- d) The lease is excluded from protection under the Landlord & Tenant Act 1954 under a Court Order dated 5<sup>th</sup> July 2001.
- e) If either party desire to determine the term hereby granted on the 25<sup>th</sup> July 2004 and shall give the other not less than six months prior notice and in the case of the tenant shall up to such determination pay the rent and observe and perform covenants on its part herein before reserved and contained and the demised premises shall be given up with vacant possession immediately upon the expiration of such period.
- f) Under the Second Schedule the rent firstly reserved is the [REDACTED] subject to upward only review as at the 14<sup>th</sup> July 2003.
- g) The service charge is defined within Schedule 3.

continued/

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- h) There is a further deed dated 25<sup>th</sup> July 2001 between CDT Design Ltd and Atlanta Technology Ltd in respect of the rear ground floor under which there is a rent deposit held by the landlords solicitor.

### **13.0 Valuation**

#### **13.1 Open Market Value**

On the assumption that the premises is freehold and subject to an occupational lease's on the terms described above, we are of the opinion that the current open market value of the Freehold interest may be fairly represented in the sum of [REDACTED] excluding fixtures, fittings, goodwill and stock.

"The open market value is an opinion of the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of the valuation assuming":

- a) willing seller
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale
- c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion

### **14.0 Related Parties**

- 14.1 The premises are let to related parties:

M B Dempsey and N J V Thirkell are directors of CDT Design Ltd and are Trustees to the CDT Executive Pension Scheme.

### **15.0 Value Added Tax**

- 15.1 Commercial properties first occupied since the 1st April 1989 are subject to V.A.T. From the same date there is an option to tax existing properties. Most occupiers (except Charities and Financial Institutions) can generally fully recover V.A.T. We have therefore excluded any potential V.A.T. liability from our valuation.

continued/



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5<sup>th</sup> February 2002

**16.0 General Comments and Marketability**

- 16.1 We are unaware that Brian Dadd Commercial or Mr Wells have a conflict of interest in this matter although Mr Wells previously acted on behalf of the CDT Executive Pension Scheme in agreeing the current rent and lease terms between the CDT Executive Pension Scheme and CDT Design Ltd.
- 16.2 In accordance with the RICS Red Book we have provided our opinion of the open market value of the freehold interest subject to the existing tenancies specifying that the premises are let to connected parties. In the event of the premises becoming available with vacant possession this would alter our opinion of the value.
- 16.3 There has been a substantial increase in both rental and capital values for this type of premises over the last five years and there is still strong demand for freehold vacant possession offices.

information you require and now enclose our account as agreed.  
Additional information please do not hesitate to contact this office by

cc: Ashwin Raithatha Esq, 21 Brownlow Mews, London WC1