

3C

## **VALUATION REPORT**

**21 Brownlow Mews, London WC1**



**16<sup>th</sup> September 2013**

**Farebrother**

Our Ref: TF

16<sup>th</sup> September 2013

CDT Executive Pension Scheme

FAO: Eddie Abel

Dear Sirs,

**Re. Valuation Report – 21 Brownlow Mews, London, WC1 2LA**

Further to your instructions, we can now provide you with a valuation of the freehold interest of the above named premises in accordance with the "RICS Valuation - Professional Standards 2012 Edition". A copy of the agreed Terms of Engagement letter can be found at Appendix I.

**A. Identification of the Client**

The client is CDT Executive Pension Scheme.

**B. The Purpose of the Valuation**

We understand that the valuation is to be used for a freehold value of the property with existing leases. The valuation is not intended to be used other than for these purposes only.

**C. The Subject of the Valuation**

The subject of the valuation is the property known as 21 Brownlow Mews, London, WC1 2LA.

The premises are located within the Bloomsbury area of London, on the western side of Gray's Inn Road. The property sits on an attractive small cobbled street connecting Guildford Street and Roger Street.

With a central location, it is a 15 minute walk to national/international mainline railway station Kings Cross/ St. Pancras. Both Russell Square and Chancery Lane tube stations are within an 8 minute walk giving good access to the Piccadilly and Central lines respectively.

**D. The Interest to be Valued**

The interest that has been valued is the freehold interest of the property.

We have not been provided with copies of any title documents and we have assumed there are no liabilities, special restrictions on title, rights vested on neighbouring or adjoining owners as occupiers or any other similar issues which would adversely affect the value of the freehold interest.

The property is held on three leases to three separate tenants all of who have taken space from MB Dempsey, NJV Thirkell and Rowanmoor Trustees Limited as Trustees of the CDT Executive Pension Scheme.

Space Syntax Limited took a 10 year lease from 8<sup>th</sup> December 2009 with a tenant only option to break on the 8<sup>th</sup> December 2014 at a rent of [REDACTED] exclusive. The rent falls for upwards only open market rent review at the expiry of the 5<sup>th</sup> year.

Atlanta Technology Limited took a 1 year lease from 10/07/2012 without a break at a rent of [REDACTED] exclusive. A new lease is in the process of negotiation.

Voodoodog Limited took a 5 year lease from 01/02/2011 with a tenant only option to break on the 1<sup>st</sup> February 2014 at a rent of [REDACTED] exclusive.

**E. Type of Property and how it is Used by the Client**

Situated in the Bloomsbury Conservation Area, 21 Brownlow Mews is described as a positive contributor to the surroundings. The property sits on the northern end of the Mews and by Camden Council's own admission is one of the best surviving examples of original mews buildings. It is a small eye-catching brick built converted warehouse with interior accommodation of varied quality and specification. There is no lift serving the building.

Space Syntax Limited occupy well presented space on the Ground and First Floors as a staff room and offices respectively. There are single glazed timber windows to the Brownlow Mews elevation and metal critall windows to the rear. The WC facility on the first floor is an impressive contemporary mezzanine vault with two male cubicles and female cubicles. Central heating is provided by way of perimeter wall mounted radiators throughout the unit. The Ground Floor has under floor trunking with spot lighting on the plaster ceiling and a small kitchen area. The First Floor has wall sockets with suspended lighting from a vaulted ceiling. The rear of the 1<sup>st</sup> Floor is sub-let to the company 'Hype!'.

Voodoodog Limited occupy space in the Ground Floor Front area of the 20a unit. There are single glazed timber windows throughout. The unit has perimeter trunking with suspended pendant lighting. Central heating is provided by way of perimeter wall mounted radiators throughout the unit. There is good floor ceiling height and the WC facility has 2 male cubicles and 2 female cubicles.

Atlanta Limited occupy space on the Ground Floor Rear area of the 20a unit. There are single glazed metal critall windows and double glazed glass roof lights to the rear of the unit. The unit has perimeter trunking and a plaster ceiling. Central heating is provided by way of perimeter wall mounted radiators throughout the unit. There is a demised WC with 1 male cubicle and 1 female cubicle.

The property is used as an office building under class B1 of the Town and Country Planning (Use Classes) Order 1987 (as amended) and for the purposes of this valuation it has been assumed that the premises have full planning consent for such a use and no such use will be challenged by the local authority.

**F. The Basis of Value**

The basis of the valuation is the market value as defined in VS3.2 of the RICS Valuation Standards:

*"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".*

The definition is subject to the interpretative commentary in the Red Book.

**G. The Date of Valuation**

The date of valuation is the 9<sup>th</sup> September 2013

**H. Disclosure of any Material Involvement**

We can confirm that Farebrother has not had any material involvement with the above property prior to the date of the report.

**I. The Status of the Valuer**

We can confirm that we have acted as an external valuer and, as such, have no material links (other than those set out above) with the client or subject property. The valuation has been carried out by the signatory of the report. The valuer is an RICS Registered Valuer within the RICS Valuer Registration Scheme.

**J. The Currency to be Adopted**

All figures are in pound sterling.

**K. Special Assumptions**

1. The valuation will be made subject to the usual assumptions and caveats covering the title and encumbrances, legal and statutory enquiries.
2. There are no special assumptions in need of agreement.

**L. The Extent of the Valuer's Investigations**

The premises were inspected on Friday 16<sup>th</sup> August 2013.

**M. The Nature and Source of the Information to be Relied on by the Valuer**

The information provided to us by the client has been relied upon. This includes the floor areas set out in the clarifying email from the client. These are as follows:

Floor	Tenant	Type of Space	Area (sq ft)
Ground	Space Syntax Limited	Staff Room	461
		Boiler Room	112
	Voodoodog Limited Atlanta Technology Limited	Office Incorporating kitchen	1,159
		Main Office	1,192
1st	Space Syntax Limited	Glazed Area	622
		Main Offices	1,277
		Side Offices	249
		Boardroom and Directors Rooms	1,107
		Store	154
		<b>Total</b>	<b>6,333</b>

**N. Consent to Publication**

Our valuation is for the named client only and we will not expect our valuation to be published or divulged to any third party other than your auditors. Our written consent must be obtained prior to each and every publication of the whole or part of the report or premises, published reference thereto, including references in the published accounts or any other published statements, reviews or circulars.

**O. Exclusion of Liability to a Third Party**

Our current Professional Indemnity Insurance cover is limited to ten million pounds which is the limit of any liability/incident/claim against us in relation to this instruction. None of our employees, partners or consultants has a contract with you or owes you a duty of care or personal responsibility. You have agreed that you will not bring any claim against such individuals personally in connection with our services.

The valuation report is provided for the stated purpose for the sole use of the named client and their auditors. It is confidential to the client and its professional advisors and the valuer will accept no responsibility whatsoever to any other person.

**P. Valuation Undertaken in Accordance with these Standards**

This valuation has been carried out in accordance with "RICS Valuation – Professional Standards 2012 Edition".

**Q. Valuation Approach**

The valuation has been undertaken using the Investment Method of valuation. Research has been undertaken into rental and capital transactions in the vicinity of the subject premises and the passing rent and an assumed rental have then been capitalised using investment yields. Purchasers costs have been deducted to arrive at a net value. This value has then been compared to other capital transactions on a capital value per square foot basis.

**R. Valuer Competency**

All contributing valuers have the appropriate knowledge, skills and understanding to undertake the valuation competently.

**S. Opinion of Value**

In our opinion, the Market Value of each of the premises as at the date of this report is:



We trust that this report successfully outlines our view with respect to the value of the subject premises, but if you have any queries, or I can be of further assistance, please do not hesitate to contact me.

Yours faithfully,



**Toby Fuhrman**  
**For and on behalf of Farebrother**

**APPENDIX I**

**TERMS OF ENGAGEMENT**

Our Ref: MMB

30<sup>th</sup> August 2013

CDT Executive Pension Scheme

FAO: Eddie Abel

Dear Sirs

**Re: 21 Brownlow Mews, London WC1 2LA**

We are writing to confirm our instructions to prepare a valuation of the freehold value of the property with the existing leases in accordance with the "RICS Valuation – Professional Standards 2012 Edition".

**A. Identification of the Client**

The client is CDT Executive Pension Scheme.

**B. The Purpose of the Valuation**

We understand that the valuation is to be used for a freehold value of the property with existing leases. The valuation is not intended to be used other than for these purposes only.

**C. The Subject of the Valuation**

The subject of the valuation is the property known as 21 Brownlow Mews, London, WC1 2LA.

**D. The Interest to be Valued**

The interest to be valued is the freehold interest of the property.

**E. Type of Property and how it is Used by the Client**

The property is an office building occupied and used by Space Syntax Ltd. (Part Ground and 1<sup>st</sup> floor), Voodoodog Ltd. (Front Part Ground Floor) and Atlanta Technology Ltd. (Rear Part Ground Floor).

**F. The Basis of Value**

The basis of the valuation will be the market value as defined in VS3.2 of the RICS Valuation Standards: A member of





*"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".*

The definition is subject to the interpretative commentary in the Red Book.

**G. The Date of Valuation**

The date of valuation will be 9<sup>th</sup> September 2013.

**H. Disclosure of any Material Involvement**

We can confirm that Farebrother has not had any material involvement with the above property prior to the date of the report.

**I. The Status of the Valuer**

We can confirm that we will act as an external valuer and, as such, have no material links with the client or subject property other than those set out above. The valuation will be carried out by the signatory of the report. The valuer is an RICS Registered Valuer within the RICS Valuer Registration Scheme.

**J. The Currency to be Adopted**

All figures are in pound sterling.

**K. Special Assumptions**

1. The valuation will be made subject to the usual assumptions and caveats covering the title and encumbrances, legal and statutory enquiries.
2. There are no special assumptions in need of agreement.

**L. The Extent of the Valuer's Investigations**

The property is due to be inspected on Friday 16<sup>th</sup> August 2013.

**M. The Nature and Source of the Information to be Relied on by the Valuer**

The information provided to us by the client will be relied upon. This will include relying upon the floor areas set out in the clarifying email from the client.

**N. Consent to Publication**

Our valuation will be for the named client only and we will not expect our valuation to be published or divulged to any third party.

Our written consent must be obtained prior to each and every publication of the whole or part of the report or published reference thereto, including references in the published accounts or any other published statements, reviews or circulars.

A member of



O. **Exclusion of Liability to a Third Party**

Our current Professional Indemnity Insurance cover is limited to ten million pounds which will be the limit of any liability/incident/claim against us in relation to this instruction. None of our employees, partners or consultants has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against such individuals personally in connection with our services.

The valuation report will be provided for the stated purpose for the sole use of the named client. It is confidential to the client and the valuer will accept no responsibility whatsoever to any other person.

P. **Valuation Undertaken in Accordance with these Standards**

This valuation will be carried out in accordance with "RICS Valuation – Professional Standards 2012 Edition".

Q. **Valuer Competency**

All contributing valuers have the appropriate knowledge, skills and understanding to undertake the valuation competently.

R. **Basis on which the Fee will be Calculated**

The fee attributable to this valuation will be £3,000 + VAT and any other out of pocket expenses.

S. **Complaints Handling Procedure**

We can confirm that Farebrother have a formal procedure for dealing with complaints for a client and any person whom, in the opinion of the RICS, a duty of care is owed. A copy of this is available on request.

T. **Monitoring**

This valuation may be subject to monitoring under the institution's conduct and disciplinary regulations.

We trust that you are happy for us to proceed on the basis of the instructions outlined above. If there are any matters raised herein that you would like to clarify, please do not hesitate to contact us. Otherwise, we would appreciate it if you could kindly confirm in writing that you are in agreement with the Terms of Engagement as set out above.

Thanking you for your instructions in this matter.

Yours faithfully



**FAREBROTHER**

A member of

