

From: Mark Minchell [REDACTED]
Sent: 10 August 2012 11:45
To: [REDACTED]
Cc: [REDACTED]
Subject: ICIS Premises

Dear Liz

Further to the various discussions in respect of your property I set out below our thoughts on value

Existing Use

In our opinion the property has a value in the open market of between £190,000 to £205,000.

With Planning consent for 2 x 2 bed residential Units as per plans

The units would have a total sales value in the order of £350,000.

The cost plan prepared by Northgates suggests construction costs of minimum £135,000. I would hope that this could be reduced by value engineering to around £100k. I also think that if the property was bought by a builder which is likely, rather than a developer they would have the opportunity of bringing in the costs at sub £100k.

We also understand that there is the potential for s106 costs of £16,308 which would be paid for by a purchaser. I understand there is the possibility of this being reduced.

In addition a prudent purchaser would take into consideration interest and the profit they would need out of the development.

In our opinion taking the above into consideration you would receive offers in the region of £200/225k dependent on the costs and s106 payments.

Summary

We would recommend marketing the property to both existing use occupiers and to parties wishing to carry out the residential development

You could take the property to the market without planning and look at conditional offers on receipt of planning but I would not advise this. Prospective purchasers could delay and possibly renegotiate if they do not achieve the scheme that they had based their offer on.

We would expect to receive offers from parties looking to develop the site at a higher figure than from existing use purchasers. It is however marginal and there is overlap in the potential values that could be realised. My main point is that the commercial property market is not strong at present and arguably the residential market is only marginally better. By being able to offer the property with both its existing commercial use to owner occupiers/investors and secondly with the benefit of planning to developers looking to convert to residential you have opened up the options for disposal in this market.

My recommendations are as follows:

- Secure planning for residential units as per the advice from ECE as this should simplify the sale process
- Offer the property to both commercial occupiers and residential developers with the benefit of planning

- Guide at £240,000

I hope this is useful and I look forward to hearing from you.

Mark Minchell BSc MRICS

Director

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