

Report to:

CAMBRIDGE CITY COUNCIL
Property Services
The Guildhall
Cambridge
CB2 3QJ
On
7 Severn Place
Cambridge
CB1 1HL

Desmond Hirsch MSc FRICS
Director
Januaries
York House
7 Dukes Court
54/62 Newmarket Road
CAMBRIDGE CB5 8DZ

Dated: 28th May 2012

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1 Instructions

- 1.1 I have been instructed by E-mail dated 26th April 2012 from Mrs Yemi Felix, Property Services, Cambridge City Council. (See Appendix E).
- 1.2 The Report does not have to be in any prescribed format but for reasons of practicality I have chosen to broadly follow the requirements of Section 36 of the Charities Act 1993 (as amended) and the Charities (Qualified Surveyors Reports) Regulations 1992. (See Appendix A and B).
- 1.3 The Regulations require a Qualified Surveyor to advise whether the terms for a disposal of an interest in land are in the best financial interests of the disposing Charity and to recommend an overall strategy for the disposal.
- 1.4 I am a Fellow of The Royal Institution of Chartered Surveyors and a Registered Valuer and have over 24 years post qualification experience of working in Cambridge and the surrounding area as an independent valuer for the purposes of the RICS Valuation Standards 8th Edition (the Red Book). I have the relevant experience and knowledge of valuing this type of property in this location. For 17 years I was the City Council's Chief Estates Surveyor managing valuations and disposals of Council property as well as the Investment Portfolio.

2 Background

- 2.1 The Cambridge City Council holds title to 7 Severn Place ('The Property'). Title to the Property is registered under title reference CB186251. This shows a reduced site and it has been suggested to officers that prior to any disposal an application be made to the Land Registry to rectify the plan or register ownership through adverse possession (as may be appropriate). [Registration was based on historic plans and records without detailed site by site boundary checks.] The site of the Property is shown edged red on the plan attached in Appendix C. The property fronts public highway.
- 2.2 The Property falls within the portfolio of the Housing Revenue Account and is used as a Council House. The present tenant has been in occupation for approximately three years and as the property is occupied by way of a weekly tenancy it is subject to the provisions of the Right to Buy under Part V of the Housing Act, 1985 as amended.
- 2.3 Unex Group Holdings Limited, Unex House, Church Lane, Stetchworth, Newmarket, Suffolk, CB8 9TN wrote to the Head of City Homes on 13th March 2012 and made an offer to purchase The Property for £400,000 subject to contract and with vacant possession. Their offer letter also stated that in their view its present market value was £250,000.
- 2.4 Unex had earlier also made a Pre-Application Developer Presentation to Councilors on 23rd November 2011 which was openly reported in the Cambridge News (CN) also on 23rd November 2011 (see Appendix F).

- 2.5 The proposed scheme is at an early stage and not yet ready for submission to the City Council as a Planning Authority. However, as reported in the CN it would possibly be for 82 flats in a continuous block between East Road and Newmarket Road on the eastern side of Severn Place and 80 student rooms (which I assume) would be in a separate block on the western side of Severn Place. I have asked Unex for fuller details but been advised 'We remain unwilling/unable to provide additional information to you as our scheme is still in the design stage'.
- 2.6 It is clear however that if any comprehensive development scheme were to proceed all existing properties would be demolished. The Property falls within the 'student rooms' element of the proposal and, given its location, would seem the most likely to accommodate the lower value elements of any housing mix. The published artists impression suggests a block with a central courtyard of 5 storeys – presumably based on 16 student rooms per floor.

3.0 Description of Property

- 3.1 Severn Place is a cul de sac road at the northern end of East Road. Its access / exit onto East Road combine with the entrance and exit to the multi-storey car-park. The road has commercial buildings on its eastern side the last few of which were formerly the Cambus Depot and more recently a gym. There is still a kitchen business trading at the entrance.
- 3.2 On the western side, backing onto the multi-storey car-park the Property is the last one of four semi-detached houses. Beyond the Property are two new developments built during 2011 – the refuse sheds and cycle racks of Byron House (which fronts the Grafton Centre service road) and beyond that, Marino House fronting Severn Place. Both are developments of fewer than 14 flats all of which have no restrictions on their occupation.
- 3.3 The Property is a well maintained and modernised three bedroomed semi-detached brick built two storey house under a newly tiled roof. It has PVCu double glazed windows, timber doors, brick or fence enclosed front and rear gardens and off-street parking adjacent to the front garden. Parking in the road is not controlled.
- 3.4 The Property's plot has a frontage of 7.04 m (23 ft) and a depth of 16.54 m (54 ft). The area is 0.029 acres (0.012 Ha). Internally, it has a gross area of 79.30 sq m (853.5 sq ft).
- 3.5 The Property benefits from mains water, electricity, gas and drainage and it is assumed that surface water is also to the main sewer.
- 3.6 The Council Tax Band is 'C'. I noted at the time of my inspection that there has been a leak through the felted single storey roof to the kitchen and that the Council has initiated emergency works by securing a tarpaulin over the flat roof. I also noted that the rear boundary is double fenced. A close boarded timber fence around the garden and a parallel corrugated iron fence closer to the Grafton Centre. As the Council sold the rear land to the Grafton Centre owners some years ago I suspect that the Council's ownership may run to the iron fence.

4 Marketing

- 4.1 The Property has not been marketed.
- 4.2 The possible disposal follows an approach from a 'special purchaser' with significant adjacent land interests.
- 4.3 I do not believe that any benefit would follow from marketing. Possibly it would have the opposite effect. For example it could trigger a Right to Buy application from the tenant. Any such application could be funded by Unex in a back to back deal possibly including tenant relocation.

5 Market Value Considerations

- 5.1 Market Value is defined as: **the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion**
- 5.2 There are a number of different ways by which value can be attributed to the Property. These include:
- Asset Value to the Council probably calculated on a representative cross sample basis
 - Market Value if sold on the open market as a family home
 - Value if sold based on Market Value as above but subject to the statutory 'Right to Buy' discount
 - Development Value to an adjacent owner who is assembling a significant development site where being able to deliver mixed but separated uses may be critical to the scheme's overall viability
 - Development Value on a smaller scale development basis. For example a scheme for fewer than 15 units such as might be contemplated when considering the site of 5 & 7 as a pair of semi-detached properties in isolation.
 - As above but on the larger site of the four properties 1 – 7 in isolation.
- 5.2 It has been suggested by Unex that the Market Value as existing is £250,000. The property type is fairly standard, albeit with a very short rear garden but its location so close to the City Centre and in an area that is both commercial, yet in transition to residential makes it more difficult to establish by reference to obvious comparables. Although Severn Place is not controlled, the City Centre is in an area of controlled parking and the off street parking in the front garden is a significant plus point. My view, based on market comparables, is that the present value is between £275,000 and £300,000 and that the Council's improvements over recent years should be recognised by opting for a figure of £300,000. My comparables are summarised in Appendix G.
- 5.3 As part of their site assembly for development purposes Unex have offered £400,000, subject to contract and vacant possession, and it is their offer that is the reason for this report. The property has no significant development value greater than its existing value in isolation.
- 5.4 Taken together with its semi-detached pair No 5 next door No 7 might have development potential with a site area of approximately 0.06 acres. By way of

immediate comparison the site of what is now Marino House which is just beyond the Byron House bike racks and store on the same side of Severn Place was developed last year with 11 one bed studio apartments. That development was on a site of 0.045 acres. There is also a current application with the Council from the same developer for consideration (12/0113/FUL) on the former carpark just beyond Marino House for 8 apartments on a site of 0.044 acres. The total number of apartments is lower partly because of having to be pulled back from the Byron House Development. Both show the viability of 5 & 7 having development value in isolation from any larger scheme.

- 5.5 No 7 might also have development potential with the new cycle parking / bin store area of the new Byron House development facing the service road as the combined site area is 0.055 acres. Following the same train of thought 5, 7 and the Byron House land would have a site area of 0.087 acres and there is no reason why a new scheme should not accommodate the Byron House cycle / storage requirements. (However, I have been advised by the developer of the Byron House scheme that it is now owned by all the apartment owners through a group freehold/management company arrangement so legal obstacles following from multiple interests may be difficult to overcome).
- 5.6 The four properties Nos 1, 3, 5 and 7 would offer a site of 0.137 acres. One could also envisage larger scale scenarios if the land to the rear which is all owned freehold by the Grafton Centre owners, subject, in this area, to a car parking lease to the City Council, were to be include as part of a more comprehensive scheme.
- 5.7 The Unex Scheme as already described at 2,5 above would be built on both sides of Severn Place extending on its eastern side to East Road and Sun Street/Newmarket Road. Total site area would be 0.137 acres to the west and 0.677 acres to the east making 0.814 acres.
- 5.8 My comparables relating to development land values and student room, studio and flat developments are summarised in Appendix H.

6 Other Considerations

- 6.1 The offer is not subject to planning consent being granted for any specific scheme.
- 6.2 No overage has been offered and whilst overage could be requested by the Council as a condition of any sale it is notoriously uncertain. Additional payments can be easily reduced by a developer ensuring that all development costs are first deducted and are inherently uncertain as they usually depend upon a certain outcome and can be time limited.
- 6.3 The offer has been made on a vacant possession basis. The Council would therefore need to offer alternative accommodation to the tenant. The tenant has clearly looked after the property and decorated throughout. The décor may not be to everyone's taste but the Council would need to recognise that the tenant has made an investment of time and money over and above a basic lick of paint in the property. The tenant does not have to co-operate with the Council. The

- tenant could exercise the Right to Buy or one of the other Equity Share arrangements that may be available.
- 6.4 Land Registry enquiries have shown that Nos 1 and 3 Cambridge Place are still in private ownership and Registered. No 5 is not registered and it is assumed that it is therefore still in private ownership as registration following property transactions is now compulsory.
- 6.5 The property requires roof repairs that are 'in hand' but this is not a relevant consideration for the purposes of this report.
- 6.6 The location is undergoing rapid change in response to the twin market conditions of low demand for offices and high demand for centrally located flats. Many of the Wellington Court properties (to the rear accessed from Sun Street/ Newmarket Road) are being converted from purpose built offices to residential use. Over time this may boost residential values for flats in this location.

7 Residual Land Value Valuation Assumptions

- 7.1 I have carried out a number of alternative Residual Land Value calculations. I have assumed sales values, construction costs, finance costs, professional fees and s. 106 planning obligations based on best judgement of what seems likely. I have also worked on the basis of developers requiring a profit on cost at the minimum of 20% (16.67% on GDV). Allowing for higher profits reduces land value.
- 7.2 Assuming a scheme of 14 x 325 sq ft studio flats at £135,000 each the land value was £650,000. Divided between No 5 and No 7 the value attributable to each is therefore approximately £325,000. (Average per plot £46,428.) This is only slightly more than existing use value and would not justify a development scheme.
- 7.3 I have therefore not calculated on the more likely basis of a lower density development as the figure in 7.2 above is already too close to the existing use value.
- 7.4 Combining the Property with the Byron House cycle parking and stores building, which has a lower existing use value, might still be a viable possibility albeit that without No 5 the scheme would have to be lower in height and therefore lower in density and gross development value (GDV). I have not pursued this valuation.
- 7.5 Assuming a scheme of 80 student rooms x 315 sq ft and each with a sales value of £60,000 the land value was £61,200. Average per plot was therefore £765. Divided between Nos 1 through to No 7 the value to each is therefore approximately £15,300. This is clearly not viable in isolation.
- 7.6 Assuming a scheme of 80 student rooms (and their being treated as 'affordable' in planning terms and a scheme for 82 flats for sale (working on average sizes of 550 sq ft and toward the higher end of the scale on eventual sales value at an average of £275,000) the land value was £10,833,000. (Average per plot £66,870.) The land element ratio of No 7 to the total scheme size is approximately 3.6% giving a development land value of £390,000- say £400,000.

- 7.7 The value given at 7.6 above does not take into account the potential value to Unex of the Properties 1-7 as a site that might enable them to create a slight distance between their main residential scheme and the student element (or any other 'affordable element' by its being on the other side of Severn Place. The company has stated that it can proceed without the Property (and it would seem that at present they would need to site assemble four properties) but it will make a significant difference when marketing the private housing if it were able to keep the student and private elements separate. Equally there must be a strong element of uncertainty as to whether planning permission would be granted for such a high density development on either site without the numbers being reduced and various community costs being added. The Unex offer at £400,000 is very close to my calculation of the site's value as a percentage of the whole scheme based on the ambitious density figures disclosed by them to Councillors. However, if the company's approach had been to add an extra £150,000 to their view of current value then there might be an argument for responding to the effect that £450,000 would secure agreement. However, this is not a valuation issue.
- 7.8 I am satisfied that the offer of £400,000 with vacant possession may well be the best achievable consideration for the Property but there may be scope to negotiate for more particularly as there will be resettlement costs and there are some elements of the title boundaries that will need to be tidied at a cost in surveyor and lawyer time.

8 Conclusion

- 8.1 In my view the existing use Market Value of the Property is £300,000.
- 8.2 For the reasons set out above, I am satisfied that accepting the £400,000 proposed purchase price would be in the best interests of the vendor.
- 8.3 There is an argument for endeavouring to negotiate an additional payment of up to £50,000 from Unex particularly as there will be related costs such as tenant relocation and boundary rectification. However, even without it, if it cannot be agreed, the £400,000 consideration would be above Market Value and I recommend that the Council seek to secure this proposed sale.



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DESMOND HIRSCH MSc FRICS
RICS Registered Valuer

Dated: 28rd May 2012

APPENDIX A

Extracts from Charities Act 1993 (Section 36)



Charities Act 1993

1993 CHAPTER 10

PART V

CHARITY LAND

36 Restrictions on dispositions

- (1) Subject to the following provisions of this section and section 40 below, no land held by or in trust for a charity shall be sold, leased or otherwise disposed of without an order of the court or of the Commissioners.
- (2) Subsection (1) above shall not apply to a disposition of such land if—
 - (a) the disposition is made to a person who is not—
 - (i) a connected person (as defined in Schedule 5 to this Act), or
 - (ii) a trustee for, or nominee of, a connected person; and
 - (b) the requirements of subsection (3) or (5) below have been complied with in relation to it.
- (3) Except where the proposed disposition is the granting of such a lease as is mentioned in subsection (5) below, the charity trustees must, before entering into an agreement for the sale, or (as the case may be) for a lease or other disposition, of the land—
 - (a) obtain and consider a written report on the proposed disposition from a qualified surveyor instructed by the trustees and acting exclusively for the charity;
 - (b) advertise the proposed disposition for such period and in such manner as the surveyor has advised in his report (unless he has there advised that it would not be in the best interests of the charity to advertise the proposed disposition); and
 - (c) decide that they are satisfied, having considered the surveyor's report, that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity.
- (4) For the purposes of subsection (3) above a person is a qualified surveyor if—

Status: This is the original version (as it was originally enacted).

- (a) he is a fellow or professional associate of the Royal Institution of Chartered Surveyors or of the Incorporated Society of Valuers and Auctioneers or satisfies such other requirement or requirements as may be prescribed by regulations made by the Secretary of State; and
- (b) he is reasonably believed by the charity trustees to have ability in, and experience of, the valuation of land of the particular kind, and in the particular area, in question;

and any report prepared for the purposes of that subsection shall contain such information, and deal with such matters, as may be prescribed by regulations so made.

(5) Where the proposed disposition is the granting of a lease for a term ending not more than seven years after it is granted (other than one granted wholly or partly in consideration of a fine), the charity trustees must, before entering into an agreement for the lease—

- (a) obtain and consider the advice on the proposed disposition of a person who is reasonably believed by the trustees to have the requisite ability and practical experience to provide them with competent advice on the proposed disposition; and
- (b) decide that they are satisfied, having considered that person's advice, that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity.

(6) Where—

- (a) any land is held by or in trust for a charity, and
- (b) the trusts on which it is so held stipulate that it is to be used for the purposes, or any particular purposes, of the charity,

then (subject to subsections (7) and (8) below and without prejudice to the operation of the preceding provisions of this section) the land shall not be sold, leased or otherwise disposed of unless the charity trustees have previously—

- (i) given public notice of the proposed disposition, inviting representations to be made to them within a time specified in the notice, being not less than one month from the date of the notice; and
 - (ii) taken into consideration any representations made to them within that time about the proposed disposition.

(7) Subsection (6) above shall not apply to any such disposition of land as is there mentioned if—

- (a) the disposition is to be effected with a view to acquiring by way of replacement other property which is to be held on the trusts referred to in paragraph (b) of that subsection; or
- (b) the disposition is the granting of a lease for a term ending not more than two years after it is granted (other than one granted wholly or partly in consideration of a fine).

(8) The Commissioners may direct—

- (a) that subsection (6) above shall not apply to dispositions of land held by or in trust for a charity or class of charities (whether generally or only in the case of a specified class of dispositions or land, or otherwise as may be provided in the direction), or
- (b) that that subsection shall not apply to a particular disposition of land held by or in trust for a charity,

if, on an application made to them in writing by or on behalf of the charity or charities in question, the Commissioners are satisfied that it would be in the interests of the charity or charities for them to give the direction.

- (9) The restrictions on disposition imposed by this section apply notwithstanding anything in the trusts of a charity; but nothing in this section applies—
- (a) to any disposition for which general or special authority is expressly given (without the authority being made subject to the sanction of an order of the court) by any statutory provision contained in or having effect under an Act of Parliament or by any scheme legally established; or
 - (b) to any disposition of land held by or in trust for a charity which—
 - (i) is made to another charity otherwise than for the best price that can reasonably be obtained, and
 - (ii) is authorised to be so made by the trusts of the first-mentioned charity; or
 - (c) to the granting, by or on behalf of a charity and in accordance with its trusts, of a lease to any beneficiary under those trusts where the lease—
 - (i) is granted otherwise than for the best rent that can reasonably be obtained; and
 - (ii) is intended to enable the demised premises to be occupied for the purposes, or any particular purposes, of the charity.
- (10) Nothing in this section applies—
- (a) to any disposition of land held by or in trust for an exempt charity;
 - (b) to any disposition of land by way of mortgage or other security; or
 - (c) to any disposition of an advowson.
- (11) In this section “land” means land in England or Wales.

APPENDIX B

Extract from Charities (Qualified Surveyors Reports) Regulations 1992

STATUTORY INSTRUMENTS

1992 No. 2980

CHARITIES

The Charities (Qualified Surveyors' Reports) Regulations 1992

Made - - - - *29th November 1992*
Laid before Parliament *8th December 1992*
Coming into force - - *1st January 1993*

In exercise of the powers conferred upon me by sections 32(4) and 77(3) of the Charities Act 1992⁽¹⁾, I hereby make the following Regulations:

1.—(1) These Regulations may be cited as the Charities (Qualified Surveyors' Reports) Regulations 1992 and shall come into force on 1st January 1993.

(2) In these Regulations—

“relevant land” means the land in respect of which a report is being obtained for the purposes of section 32(3) of the Charities Act 1992; and

“the surveyor” means the qualified surveyor from whom such a report is being obtained.

2. A report prepared for the purposes of section 32(3) of the Charities Act 1992 (requirements to be complied with in respect of the disposition of land held by or in trust for a charity otherwise than with an order of the court or of the Charity Commissioners or where section 32(5) of that Act applies) shall contain such information and deal with such matters as are prescribed by the Schedule to these Regulations (together with such other information and such other matters as the surveyor believes should be drawn to the attention of the charity trustees).

Home Office
29th November 1992

Kenneth Clarke
One of Her Majesty's Principal Secretaries of
State

SCHEDULE

INFORMATION TO BE CONTAINED IN, AND MATTERS TO BE DEALT WITH BY, QUALIFIED SURVEYORS' REPORTS

- 1.—(1) A description of the relevant land and its location, to include—
 - (a) the measurements of the relevant land;
 - (b) its current use;
 - (c) the number of buildings (if any) included in the relevant land;
 - (d) the measurements of any such buildings; and
 - (e) the number of rooms in any such buildings and the measurements of those rooms.(2) Where any information required by sub-paragraph (1) above may be clearly given by means of a plan, it may be so given and any such plan need not be drawn to scale.
2. Whether the relevant land, or any part of it, is leased by or from the charity trustees and, if it is, details of—
 - (a) the length of the lease and the period of it which is outstanding;
 - (b) the rent payable under the lease;
 - (c) any service charge which is so payable;
 - (d) the provisions in the lease for any review of the rent payable under it or any service charge so payable;
 - (e) the liability under the lease for repairs and dilapidations; and
 - (f) any other provision in the lease which, in the opinion of the surveyor, affects the value of the relevant land.
3. Whether the relevant land is subject to the burden of, or enjoys the benefit of, any easement or restrictive covenant or is subject to any annual or other periodic sum charged on or issuing out of the land except rent reserved by a lease or tenancy.
4. Whether any buildings included in the relevant land are in good repair and, if not, the surveyor's advice—
 - (a) as to whether or not it would be in the best interests of the charity for repairs to be carried out prior to the proposed disposition;
 - (b) as to what those repairs, if any, should be; and
 - (c) as to the estimated cost of any repairs he advises.
5. Where, in the opinion of the surveyor, it would be in the best interests of the charity to alter any buildings included in the relevant land prior to disposition (because, for example, adaptations to the buildings for their current use are not such as to command the best market price on the proposed disposition), that opinion and an estimate of the outlay required for any alterations which he suggests.
6. Advice as to the manner of disposing of the relevant land so that the terms on which it is disposed of are the best that can reasonably be obtained for the charity, including—
 - (a) where appropriate, a recommendation that the land should be divided for the purposes of the disposition;
 - (b) unless the surveyor's advice is that it would not be in the best interests of the charity to advertise the proposed disposition, the period for which and the manner in which the proposed disposition should be advertised;

- (c) where the surveyor's advice is that it would not be in the best interests of the charity to advertise the proposed disposition, his reasons for that advice (for example, that the proposed disposition is the renewal of a lease to someone who enjoys statutory protection or that he believes someone with a special interest in acquiring the relevant land will pay considerably more than the market price for it); and
- (d) any view the surveyor may have on the desirability or otherwise of delaying the proposed disposition and, if he believes such delay is desirable, what the period of that delay should be.

7.—(1) Where the surveyor feels able to give such advice and where such advice is relevant, advice as to the chargeability or otherwise of value added tax on the proposed disposition and the effect of such advice on the valuations given under paragraph 8 below.

(2) Where either the surveyor does not feel able to give such advice or such advice is not in his opinion relevant, a statement to that effect.

8. The surveyor's opinion as to—

- (a) the current value of the relevant land having regard to its current state of repair and current circumstances (such as the presence of a tenant who enjoys statutory protection) or, where the proposed disposition is a lease, the rent which could be obtained under it having regard to such matters;
- (b) what the value of the relevant land or what the rent under the proposed disposition would be—
 - (i) where he has given advice under paragraph 4 above, if that advice is followed; or
 - (ii) where he has expressed an opinion under paragraph 5 above, if that opinion is acted upon; or
 - (iii) if both that advice is followed and that opinion is acted upon;
- (c) where he has made a recommendation under paragraph 6(a) above, the increase in the value of the relevant land or rent in respect of it if the recommendation were followed;
- (d) where his advice is that it would not be in the best interests of the charity to advertise the proposed disposition because he believes a higher price can be obtained by not doing so, the amount by which that price exceeds the price that could be obtained if the proposed disposition were advertised; and
- (e) where he has advised a delay in the proposed disposition under paragraph 6(d) above, the amount by which he believes the price which could be obtained consequent on such a delay exceeds the price that could be obtained without it.

9. Where the surveyor is of the opinion that the proposed disposition is not in the best interests of the charity because it is not a disposition that makes the best use of the relevant land, that opinion and the reasons for it, together with his advice as to the type of disposition which would constitute the best use of the land (including such advice as may be relevant as to the prospects of buying out any sitting tenant or of succeeding in an application for change of use of the land under the laws relating to town and country planning etc.).

EXPLANATORY NOTE

(This note is not part of the Regulations)

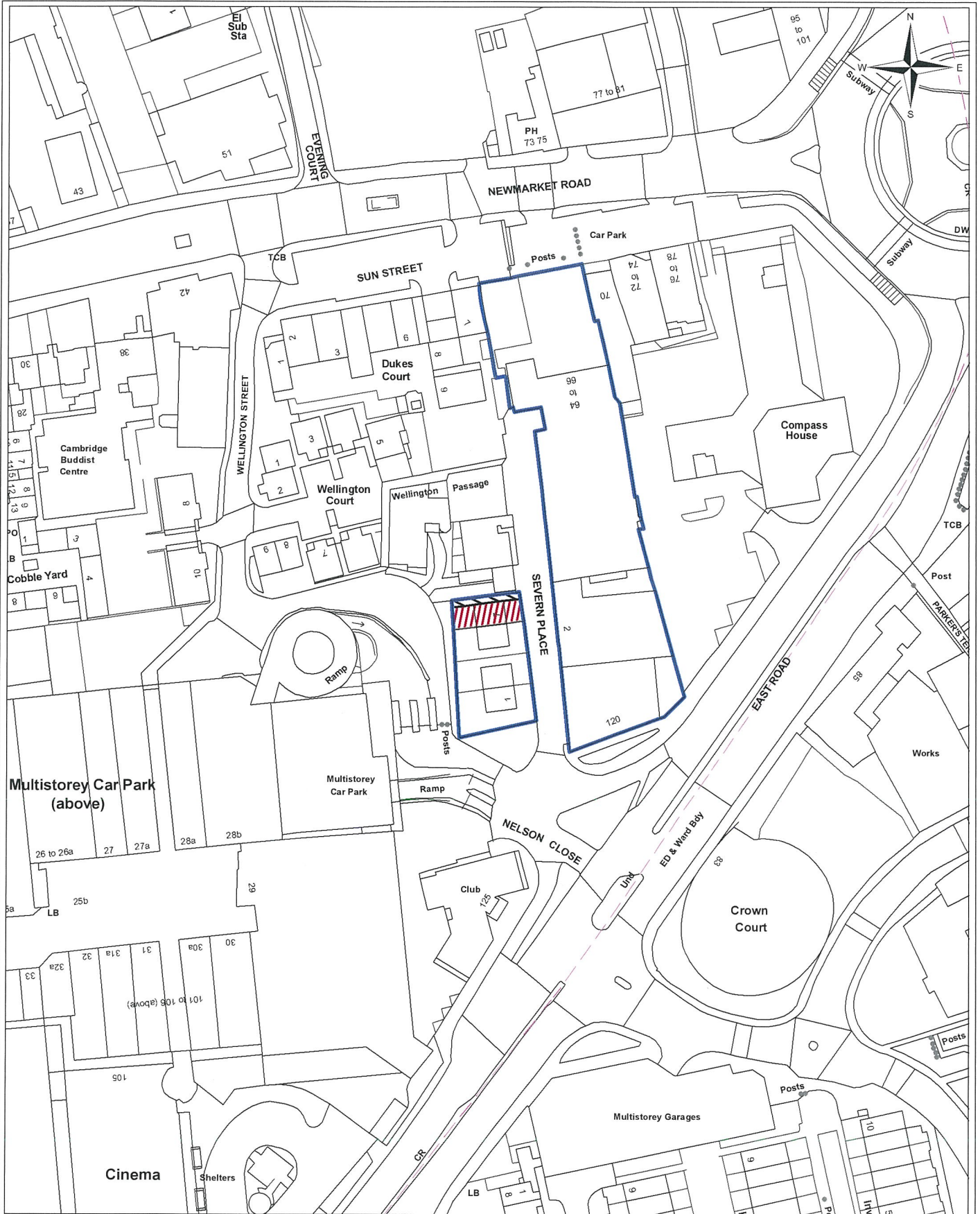
Section 32(2) of the Charities Act 1992 disapplies the requirement in section 32(1) of that Act that no land held by or in trust for a charity is to be sold, leased or otherwise disposed of without an order of the court (as defined by section 46 of the Charities Act 1960 (c. 58)) or of the Charity Commissioners. Section 32 comes into force on 1st January 1993 by virtue of article 4 of, and Schedule 3 to, the Charities Act 1992 (Commencement No. 1 and Transitional Provisions) Order 1992 (S.I.1992/1900 (C.64)). One of the conditions for the disapplication of the requirements in section 32(1) is that the requirements in section 32(3) are satisfied.

The first requirement in section 32(3) is that, before the charity trustees enter into an agreement for the sale or (as the case may be) for a lease or other disposition, of the land, they must obtain and consider a report on the proposed disposition from a surveyor who satisfies the requirements of section 32(4) and who is instructed by them and acts exclusively for the charity. The report prepared for these purposes must contain such information, and deal with such matters, as may be prescribed by regulations (section 32(4)). These Regulations (which extend to England and Wales only) exercise that power and the Schedule to these Regulations sets out the matters to be covered in the report.

Those matters include a description of the land (paragraph 1 of the Schedule), whether it is leased by or from the charity trustees (paragraph 2), the easements or covenants to which the land is subject or the benefit of which it enjoys (paragraph 3), whether or not any buildings in it are in good repair (paragraph 4), whether alterations to any such buildings are desirable (paragraph 5), advice as to the way the proposed disposition of the land is to be conducted (paragraph 6), advice about value added tax (paragraph 7), the surveyor's opinion about the value of the land (paragraph 8) and, where appropriate, his suggested alternative ways of disposing of the land (paragraph 9).

APPENDIX C

Site Plan



Property Services

7 Severn Place - City registered land (hatched red)
 City occupied land (hatched black)
 Assumed Unex Development (edged blue)

Date: 30/05/12
 Produced by: Steve Udall
 Section/Department: Property & Building Services
 Scale: 1:1,250 @ A4

APPENDIX D

Photographs



APPENDIX E

Copy of instructing E-mail from Yemmi Felix

Sarah Culhane

From: Yemi Felix <Yemi.Felix@cambridge.gov.uk>
Sent: 26 April 2012 13:13
To: Desmond Hirsch
Subject: RE: Disposal - 7 Severn Place Cambridge CB1 1HL

Desmond

Thank you very much for your detailed response, which clarifies several points. I am pleased to note that at this time, Januarys as a company, does not create a conflict of interest by taking on this instruction.

As you have rightly pointed out, I believe extracting the latent value is more important to the Council than any future benefits which can be derived by the consideration of an overage. As I mentioned during our discussion, I am not sure how much of a ransom strip the Council's land represents in respect of the whole site assembly scheme. The argument would then be; what would be the percentage overage accruing if 7 Severn Place is not of great importance to the scheme. This discussion could continue for a long time, especially when the planning process is yet to commence for this development. It would however be very interesting to receive your views on what you believe we should be demanding in terms of overage.

Thank you for confirming the fees of £850 + VAT. Could you proceed on the basis that this fee is agreed.

I will arrange the following:

- a) OS plans of an appropriate size to show the Council's ownership.
- b) LR search for 70 Newmarket Road and Compass House.

I hope to be able to send you these documents next week.

Regards,

Yemi

Yemi Felix MA MRICS
Senior Estates Surveyor

Property Services
Cambridge City Council
P.O. Box 700
Cambridge
CB1 0JH

Tel: 01223457419
Fax: 01223457329
Mobile: 07500916586

>>> Desmond Hirsch <DPH@januarys.co.uk> 25/04/2012 11:05 >>>
Yemi,

APPENDIX F

Cambridge News Article 23rd November 2011

Flats and homes plan for 'disaster area' site

Chris Havergal



An artist's impression of how the development would look

More than 160 flats and student units could be built in a Cambridge neighbourhood branded a "disaster area".

The scheme could replace four houses, a kitchen showroom, warehouses and a former health club located off Newmarket Road and Severn Place, which is a cul-de-sac accessed from East Road.

It would be made up of several blocks between four and eight storeys high, containing a total of 82 flats, and a separate building containing 80 undergraduate bedrooms.

The project was unveiled today by Unex Developments, based in Stetchworth, near Newmarket.

Presenting the plans at a Guildhall development control forum, architect Alison Brooks said a key feature would be a new pedestrian and cycle lane leading from East Road to Newmarket Road, linking up to a route down to Midsummer Common through the homes being built on Cambridge Regional College's former Brunswick campus.

She told councillors: "The general context is dominated by the traffic and the roundabout and there's more or less a suburban quality to this location which we think will transform over time and we would like to contribute over time to that, to something which provides more enclosure, a sense of streetscape, and responds to the historic urban fabric of the area."

The development, which would include roof gardens and an underground car park, is opposite the Bird in Hand pub, wedged between Compass House and Dukes Court.

Properties which would be razed include the former Atrium Club gym, which shut in 2008, and the Nicholas Anthony kitchen showroom in East Road.

Cllr Colin Rosenstiel, who represents Market, said East Road needed improving because it was a "disaster area" at the moment.

Cllr Damien Tunnacliffe, who represents West Chesterton, said: "It's a curious site and it's quite a challenging site, but that makes it all the more interesting."

However, the meeting heard question marks hang over the viability of the project, which is not yet subject to a planning application.

Unex director Stephen Walsh said the scheme may not be possible unless the city council is persuaded to allow the student accommodation to be provided in lieu of affordable housing.

One of the homeowners is refusing to negotiate, he added.

APPENDIX G

Market Comparables – As Existing

Appendix G

Residential Comparable information at May 2012

1. Hockeys. St Andrews Road. Substantial 5 bed semi brick and rendered elevations under tiled roof. Brick garage and off street parking. Asking £325,000 and sold subject to contract.
2. Cheffins. 30 Elizabeth Way modern detached brick and tile. 4 bed off road parking and long garden with scope for modernisation. Marketed at £295,000 and sold at £301,000 March 2012.
3. Vincent Shaw. 51 Cromwell Road. 3 bed semi detached. Marketed at £285,000 and sold at £260,000 February 2012
4. Vincent Shaw. 154 Cromwell Road. Extended 3 bed mid terrace part rendered and under tiled roof rear garden and double garage and loft room asking £275,000
5. Vincent Shaw. 220 Cromwell Road. 3 bed mid terrace sold April 2012 at £245,000 and marketed at £239,995.
6. Vincent Shaw. 66 Keynes Road, off Wadloes Road. 3 bed end terrace marketing at £239,995
7. Bradshaws. 49 Cromwell Road. Brick Semi under tiled roof, 3 bed roomed with pavoir off-street parking and good sized parking but in poor order. Marketed at £275,000 and sale agreed at £250,000 in April 2012.
8. Cheffins. 64 Cromwell Road. Semi-detached with rendered elevations under tiled roof, 3 bedrooms, garage and long rear garden. Marketed at £250,000. Sold at £247,000 December 2012.
9. Russells. Oyster Row. Modern end terrace, brick under tiled roofs, 3 bedrooms, small garden and access to shared off road parking. Asking £245,000.
10. Bush. 84 Cromwell Road. Semi-detached, rendered elevations under tiled roof. 2 bedrooms and rear garden but no parking. Marketed at £245,000 and sold March 2012 at £245,000.
11. Bush. Enfield (Council development off St Matthews Street) 3 bed end terrace with small garden and access to shared parking due to be marketed shortly at an asking price of £275,000.
12. Land Registry Sales information in the immediate area tends to be of Victorian or new houses and time lag on availability:
 - a. 2 Auckland Road – terraced freehold 5/11/10 at £295,000
 - b. 4 Bailey Mews – terraced leasehold 14/2/12 at £273,500
 - c. 10 Bailey Mews – semi-detached leasehold 02/11/09 at £270,000
 - d. 5 Brunswick Terrace – terraced freehold 26/07/11 at £313,000
 - e. 14 Brunswick Terrace – terraced freehold 3/12/10 at £375,000
 - f. 6 Brunswick Walk – terraced freehold £540,000 at 4/1/12
 - g. 7 Brunswick Walk – terraced freehold 17/10/11 at £392,500
 - h. 28a Maids Causeway – detached freehold (not period and not large) £845,000 with off street parking
 - i. 14a Geldart Street - semi detached modern 5/8/11 at £520,000
 - j. 14 Geldart Street – semi detached modern 1/4/11 at £460,000
 - k. 15 Geldart Street – terraced modern 16 /02.09 at £340,000

APPENDIX H

Market Comparables – As potential development land and studio and flat sales data

Appendix H

Development Sites Comparable information at May 2012

1. Bidwells. 23-29 Occupation Road. 0.15 acres, consent for 14 flats. Sold to Cambridge & County Developments at £980,000 = £70,000 per plot. Projected sales values per unit for 2 bed flats in region of £320 - £375 per sq ft. Projected value for one bed flats in region of £400 per sq ft.
2. Januarys. 71-75 New Street. 0.11 acres, consent for 6 flats. Poor visibility to New Street due to permanent advert hoarding in separate ownership. Asking £650,000 = £108,333 per flat and unlikely to sell on this basis. Could re-jig to achieve asking price as 12 x Studios at £54,167 per unit.
3. Januarys. 130-132 Newmarket Road. 0.093 acres. Marketed at £500,000 - £650,000 unconditionally and without planning consent. Owned by Chartfront who will apply and develop. Too early to quote projected sales values.
4. Januarys. 7-9 Abbey Street. 0.25 acres. Highland Homes Planning Application 11/1430/FUL submitted 23 November 2011 and consent now granted for 24 studio apartments for student occupation, car & cycle parking. Too early to quote projected sales values.
5. Januarys. Eastern Gate site, Newmarket Road / Coldhams Lane. Sold at £3.25 M 2012 with planning permission for a mixture of 74 x 1 - 3 bed flats and below ground parking. Average = £44,919 per plot. Too early to quote projected sales values.

Student Rooms

Student room development appraisals in Cambridge are generally done on the basis of 315 sq m per units and £60,000 per unit value.

Cambridge Riverside – Brooke House and Newton House

Sales and reservations during 2011/2012

Many have balconies, good views or gardens but both are off Newmarket Road rather than facing Midsummer Common

Studio 380 sq ft with gardens at £210,000

One bed broadly between 480 and 580 sq ft at £240,000 to £260,000 (£420 - £515 per sq ft.)

Two bed broadly between 730 and 1,000 sq ft at £340,000 to £400,000 (£420 - £440 per sq ft.)

Three bed broadly between 1,300 and 1600 sq ft at £500,000 to £650,000 (£490 per sq ft.)

Deduct say £10,000 per sale for incentives

Parking spaces offered separately at £17,500 on selected properties

Byron House scheme, Wellington Place / access road r/o Grafton Centre

All sold at or very close to marketed prices during 2011/2012.

PLOT	ACCOMMODATION	SQ.FT	PRICE	PER SQ FT
1	Ground Floor Studio	378	£154,950	£410
2	Ground Floor Studio	368	£152,450	£414
3	Ground Floor Studio	344	£149,950	£436
4	Ground Floor Studio	396	£159,950	£404
5	First Floor 1 Bedroom	413	£179,950	£436
6	First Floor Studio	368	£157,450	£428
7	First Floor Studio	344	£152,450	£443
8	First Floor Studio	414	£169,950	£410
9	Second Floor 1 Bedroom	413	£184,950	£448
10	Second Floor Studio	414	£174,950	£423
11	Second Floor Studio	368	£162,450	£441
12	Second Floor Studio	344	£154,950	£450
13	Penthouse 1 Bedroom	553	£235,000	£425
14	Penthouse 1 Bedroom	536	£235,000	£438

6. As development site linked to main Newmarket Road, East Road, Severn Place site for 82 flats and 80 student rooms (self-contained studio flats?).
 - a. This would presumably obviate the need to offer full quota of low value family homes.
 - b. Unex value as existing at £250,000 and have offered the Council £400,000 as existing.
 - i. Would this be subject to tenancy? Presumably not as they would want VP and no risk of security.
 - ii. Would whole block therefore be $4 \times £400,000 = £1,600,000$? If 80 student rooms / studios then £20,000 land value per unit.

1. Areas:

- a. 7 Place = 0.029 acres
- b. 1-7 Severn Place = 0.137 acres
- c. East Road / Newmarket Road site = 0.677 acres
- d. Ratio of a/b = 21.17%
- e. Ratio of a/(b+c) = 3.56%