

**John W Tillman**

---

**From:** Roger Jones  
**Sent:** 08 November 2012 20:49  
**To:** Jonathan Fearn  
**Subject:** Re: MEETING AT PARC Y SCARLETS

Anytime between 9 and 10

---

**From:** Jonathan Fearn  
**Sent:** Thursday, November 08, 2012 06:32 PM  
**To:** Roger Jones  
**Subject:** Fw: MEETING AT PARC Y SCARLETS

Roger, the Chief rang me earlier to ensure that I was able to reach agreement on the basis he has instructed ie £200K to CCC. Perhaps we can discuss again tomorrow morning before I meet Nigel.

Jonathan Fearn  
Head of Corporate Property  
Carmarthenshire County Council  
St David's Park  
Carmarthen

(01267) 24 6244

\* This message was sent from a mobile device - I am currently away from my desk \*

---

**From:** Nigel Short [mailto:nigel.short@car.gov.uk]  
**Sent:** Thursday, November 08, 2012 06:31 PM  
**To:** Jonathan Fearn  
**Subject:** Re: MEETING AT PARC Y SCARLETS

Great see you then. N

Sent from my iPhone

On 8 Nov 2012, at 18:24, "Jonathan Fearn" <[JFearn@carmarthenshire.gov.uk](mailto:JFearn@carmarthenshire.gov.uk)> wrote:

No problem - can do - 11:00 in my office at St David's Park?

You'll be pleased to hear that planning permission was granted at Planning Committee today despite an extended debate over car parking. No additional conditions other than some drainage issues.

Jonathan Fearn  
Head of Corporate Property  
Carmarthenshire County Council  
St David's Park  
Carmarthen

(01267) 24 6244

\* This message was sent from a mobile device - I am currently away from my desk \*



**John W Tillman**

---

**From:** Jonathan Fearn  
**Sent:** 08 October 2012 13:50  
**To:** Roger Jones; Mark James; Cllr. Jeff Edmunds  
**Cc:** Peter Edwards  
**Subject:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli  
**Attachments:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli; RE: DV draft Independent Valuation report - Land at Trostre, Llanelli

<b>Tracking:</b>	<b>Recipient</b>	<b>Read</b>
	Roger Jones	Read: 08/10/2012 14:14
	Mark James	
	Cllr. Jeff Edmunds	
	Peter Edwards	

Please find attached some further representations made to DVS by JLL and me. The deadline for submissions is today and DVS will then either issue a final report or we will meet again to discuss.

Jonathan Fearn  
Pennaeth Eiddo Corfforaethol / Head of Corporate Property,  
Parc Dewi Sant, Caerfyrddin / St David's Park, Carmarthen,  
(01267) 246244 (Mewnol / Internal: 6244)  
[JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

<http://tinyurl.com/Corporate-Property>

---

**From:** Jonathan Fearn  
**Sent:** 25 September 2012 10:46  
**To:** Roger Jones; Mark James; Cllr. Jeff Edmunds  
**Cc:** Peter Edwards  
**Subject:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli

By way of further background please find attached the Scarlets' and my submissions to DVS

Jonathan Fearn  
Pennaeth Eiddo Corfforaethol / Head of Corporate Property,  
Parc Dewi Sant, Caerfyrddin / St David's Park, Carmarthen,  
(01267) 246244 (Mewnol / Internal: 6244)  
[JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

<http://tinyurl.com/Corporate-Property>

---

**From:** Roger Jones  
**Sent:** 25 September 2012 10:11  
**To:** Jonathan Fearn; Mark James; Cllr. Jeff Edmunds  
**Cc:** Peter Edwards  
**Subject:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli

I agree. We must not lose sight of the fact that the club approached us and that we also have the option of other land we could dispose in lieu of Site 1. I cannot accept that the club get any cost recovery and certainly no "profit" for introducing the scheme. In fact I cannot support any of the deductions put forward.

**Roger Jones**  
Director of Resources  
E-Mail: [RJones@carmarthenshire.gov.uk](mailto:RJones@carmarthenshire.gov.uk)  
Tel: (01267) 224120

**From:** Jonathan Fearn  
**Sent:** 25 September 2012 09:42  
**To:** Roger Jones; Mark James; Cllr. Jeff Edmunds  
**Cc:** Peter Edwards  
**Subject:** FW: DV draft Independent Valuation report - Land at Trostre, Llanelli

Please find attached the Valuation report received yesterday from DVS. I am content with the 50/50 split in net proceeds but cannot understand the logic in some of the figures in the DVS view of the eligible costs to be deducted from the gross proceeds (in the final attachment). I therefore plan to go back to DVS to explore this logic further, subject to any other comments you may have

**Jonathan Fearn**  
Pennaeth Eiddo Corfforaethol / Head of Corporate Property,  
Parc Dewi Sant, Caerfyrddin / St David's Park, Carmarthen,  
(01267) 246244 (Mewnol / Internal: 6244)  
[JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

<http://tinyurl.com/Corporate-Property>

**From:** Walters, Gary R [<mailto:gary.r.walters@voa.gsi.gov.uk>]  
**Sent:** 24 September 2012 14:14  
**To:** Jonathan Fearn; 'Lapham, Lee (UK - Wales)'  
**Subject:** DV draft Independent Valuation report - Land at Trostre, Llanelli

Gentlemen,

I attach my draft report.

I think it would be prudent in this instance, if I offer my opinion of Jonathan's counter-representations of Lee's marriage value opinion (see below). My opinions are attached in the last PDF. I hope it provides you with basis for a consensus.

I'm out later this afternoon and all day tomorrow. Back on Wednesday. I await further instructions, before I issue my Final report.

Kind regards as always.

**Gary Walters MRICS | Senior Surveyor | DVS | Property Services |**  
**Valuation Office Agency (VOA)**  
**DVS Property Specialists for the Public Sector |** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
Tŷ Nant | 180 High Street | Swansea | SA1 1JR | 03000 500194  
This e-mail's security marking is **PROTECT**

---

**From:** Jonathan Fearn [<mailto:JFearn@carmarthenshire.gov.uk>]  
**Sent:** Friday, August 31, 2012 3:52 PM  
**To:** Lapham, Lee (UK - Wales); Walters, Gary R  
**Subject:** RE: HoT Llanelli

Further to my email below please find a summary of my suggested alternative valuation approach, as discussed in our meeting

**Jonathan Fearn BSc (Hons) MRICS**  
Head of Corporate Property / Pennaeth Eiddo Corfforaethol

Carmarthenshire County Council / Cyngor Sir Caerfyrddin  
Building 8, St David's Park, Job's Well Road, Carmarthen SA31 3HB  
Adeilad 8, Parc Dewi Sant, Heol Ffynnon Job, Caerfyrddin SA31 3HB

✉ [JFearn@Carmarthenshire.gov.uk](mailto:JFearn@Carmarthenshire.gov.uk) / [JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

☎ (01267) 246244 📠 (01267) 246213 DX: 744630 Carmarthen 10

<http://tinyurl.com/Corporate-Property>

---

**From:** Jonathan Fearn  
**Sent:** 30 August 2012 12:10  
**To:** 'Lapham, Lee (UK - Wales)'  
**Cc:** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
**Subject:** RE: HoT Llanelli

Thanks Lee - is there also a copy of the plan available for the Heads of Terms, as it refers to a right of way over the brown land - presumably this is just the main access to the site and there are no reserved rights proposed through the retained land or a requirement for the Scarlets to lay out the retained land as a car park to any higher standard than currently.

As you will imagine from our discussion at the meeting, I do not agree with your approach to the split in proceeds and will respond on this separately

**Jonathan Fearn BSc (Hons) MRICS**  
Head of Corporate Property / Pennaeth Eiddo Corfforaethol

Carmarthenshire County Council / Cyngor Sir Caerfyrddin  
Building 8, St David's Park, Job's Well Road, Carmarthen SA31 3HB  
Adeilad 8, Parc Dewi Sant, Heol Ffynnon Job, Caerfyrddin SA31 3HB

✉ [JFearn@Carmarthenshire.gov.uk](mailto:JFearn@Carmarthenshire.gov.uk) / [JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

☎ (01267) 246244 📠 (01267) 246213 DX: 744630 Carmarthen 10

<http://tinyurl.com/Corporate-Property>

---

**From:** Lapham, Lee (UK - Wales) [<mailto:Lee.Lapham@eu.ill.com>]  
**Sent:** 29 August 2012 17:00  
**To:** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
**Cc:** Jonathan Fearn  
**Subject:** FW: HoT Llanelli

Gents – attached heads of terms, together with our opinion of the marriage value calculation.

Lee

Lee Lapham  
Director - Valuation Advisory  
Jones Lang LaSalle

One Kingsway | Cardiff CF10 3AN

T: +44 (0)292 072 6001

M: +44 (0)7989 968487

[Lee.Lapham@eu.jll.com](mailto:Lee.Lapham@eu.jll.com)

[www.joneslanglasalle.co.uk](http://www.joneslanglasalle.co.uk)

From Monday 25 June 2012 we have relocated to One Kingsway, Cardiff, CF10 3AN.

All telephone numbers remain the same

---

**From:** Nvshort

**Sent:** 21 August 2012 11:38

**To:** Lapham, Lee (UK - Wales)

**Subject:** HoT Llanelli

As agreed

Rgds

Nigel

---

Jones Lang LaSalle Limited is a limited company registered in England and Wales. Registration number: 1188567. Registered office: 22 Hanover Square, London W1S 1JA

This e-mail is for the use of the intended recipient(s) only. If you have received this e-mail in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not use, disclose or distribute this e-mail without the author's prior permission. We have taken precautions to minimise the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. If you are the intended recipient and you do not wish to receive similar electronic messages from us in future then please respond to the sender to this effect.

This message is confidential and the information must not be used, disclosed, or copied to any other person who is not entitled to receive it. If you have received this message in error please notify the sender and then delete it.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free.

Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

**John W Tillman**

---

**From:** Lapham, Lee (UK - Wales) [Lee.Lapham@eu.jll.com]  
**Sent:** 02 October 2012 17:42  
**To:** Jonathan Fearn; Walters, Gary R  
**Subject:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli  
**Attachments:** Mr Gary Walters, DVS 02102012.doc

Gary – I also attach my representations in respect of the draft valuation.

I trust you will give due consideration to this and then issue the final version of your report.

Hard copy in post.

Lee Lapham  
Director - Valuation Advisory  
Jones Lang LaSalle  
One Kingsway | Cardiff CF10 3AN

T: +44 (0)292 072 6001  
M: +44 (0)7989 968487  
[Lee.Lapham@eu.jll.com](mailto:Lee.Lapham@eu.jll.com)  
[www.joneslanglasalle.co.uk](http://www.joneslanglasalle.co.uk)

---

**From:** Jonathan Fearn [mailto:JFearn@carmarthenshire.gov.uk]  
**Sent:** 02 October 2012 17:05  
**To:** Walters, Gary R  
**Cc:** Lapham, Lee (UK - Wales)  
**Subject:** RE: DV draft Independent Valuation report - Land at Trostre, Llanelli

Gary

In response to your draft valuation I am happy with the proposed 50/50 split but am confused by the deductions included to get to a net figure so would like to make the following further representations:

- 1) Scarlet's land leasehold valuation (£76K) - presumably this is the right to receive income from match parking but can you please confirm how this is calculated
- 2) CCC freehold valuation (£6K) - as explained in our meeting and my submission, under the lease CCC has the right to use the car park as a park and ride or other income generating purposes other than on match days, so the income potential is no less than The Scarlets, which is why I had suggested both parties' existing values were cancelled out
- 3) Agent fees (£21,250) - as I have set out, my agreement to these being included would require disclosure and verification of the fee arrangements. To back up my point, Marston's have subsequently advertised in the Estates Gazette that they will pay £30K introduction fees to agents (see attached flyer).
- 4) Payment to HDD - I do not understand the logic of including a proportion of this cost - can you please explain?
- 5) Profit to The Scarlets - as previously set out, the Council has been deeply involved in ensuring that the deal with Marston's proceeds, both from a political and a planning

perspective - there is no reason why The Scarlets should receive a "profit" any more than CCC

Perhaps you can confirm your logic on each of these and then if the 3 of us cannot agree matters by email we can then meet to set out our respective positions for you to then issue your final report

**Jonathan Fearn BSc (Hons) MRICS**  
Head of Corporate Property / Pennaeth Eiddo Corfforaethol

Carmarthenshire County Council / Cyngor Sir Caerfyrddin  
Building 8, St David's Park, Job's Well Road, Carmarthen SA31 3HB  
Adeilad 8, Parc Dewi Sant, Heol Ffynnon Job, Caerfyrddin SA31 3HB

✉ [JFearn@Carmarthenshire.gov.uk](mailto:JFearn@Carmarthenshire.gov.uk) / [JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

☎ (01267) 246244 📠 (01267) 246213 DX: 744630 Carmarthen 10

<http://tinyurl.com/Corporate-Property>

**From:** Walters, Gary R [mailto:[gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)]  
**Sent:** 24 September 2012 14:14  
**To:** Jonathan Fearn; 'Lapham, Lee (UK - Wales)'  
**Subject:** DV draft Independent Valuation report - Land at Trostre, Llanelli ✓

Gentlemen,

I attach my draft report.

I think it would be prudent in this instance, if I offer my opinion of Jonathan's counter-representations of Lee's marriage value opinion (see below). My opinions are attached in the last PDF. I hope it provides you with basis for a consensus.

I'm out later this afternoon and all day tomorrow. Back on Wednesday. I await further instructions, before I issue my Final report.

Kind regards as always.

**Gary Walters MRICS | Senior Surveyor | DVS | Property Services |**  
**Valuation Office Agency (VOA)**  
**DVS Property Specialists for the Public Sector |** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
Tŷ Nant | 180 High Street | Swansea | SA1 1JR | 03000 500194  
This e-mail's security marking is **PROTECT**

---

**From:** Jonathan Fearn [mailto:[JFearn@carmarthenshire.gov.uk](mailto:JFearn@carmarthenshire.gov.uk)]  
**Sent:** Friday, August 31, 2012 3:52 PM  
**To:** Lapham, Lee (UK - Wales); Walters, Gary R  
**Subject:** RE: HoT Llanelli ✓

Further to my email below please find a summary of my suggested alternative valuation approach, as discussed in our meeting

**Jonathan Fearn BSc (Hons) MRICS**  
Head of Corporate Property / Pennaeth Eiddo Corfforaethol



Carmarthenshire County Council / Cyngor Sir Caerfyrddin  
Building 8, St David's Park, Job's Well Road, Carmarthen SA31 3HB  
Adeilad 8, Parc Dewi Sant, Heol Ffynnon Job, Caerfyrddin SA31 3HB

✉ [JFearn@Carmarthenshire.gov.uk](mailto:JFearn@Carmarthenshire.gov.uk) / [JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

☎ (01267) 246244 📠 (01267) 246213 DX: 744630 Carmarthen 10

<http://tinyurl.com/Corporate-Property>

---

**From:** Jonathan Fearn  
**Sent:** 30 August 2012 12:10  
**To:** 'Lapham, Lee (UK - Wales)'  
**Cc:** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
**Subject:** RE: HoT Llanelli

Thanks Lee - is there also a copy of the plan available for the Heads of Terms, as it refers to a right of way over the brown land - presumably this is just the main access to the site and there are no reserved rights proposed through the retained land or a requirement for the Scarlets to lay out the retained land as a car park to any higher standard than currently.

As you will imagine from our discussion at the meeting, I do not agree with your approach to the split in proceeds and will respond on this separately

Jonathan Fearn BSc (Hons) MRICS  
Head of Corporate Property / Pennaeth Eiddo Corfforaethol

Carmarthenshire County Council / Cyngor Sir Caerfyrddin  
Building 8, St David's Park, Job's Well Road, Carmarthen SA31 3HB  
Adeilad 8, Parc Dewi Sant, Heol Ffynnon Job, Caerfyrddin SA31 3HB

✉ [JFearn@Carmarthenshire.gov.uk](mailto:JFearn@Carmarthenshire.gov.uk) / [JFearn@sirgar.gov.uk](mailto:JFearn@sirgar.gov.uk)

☎ (01267) 246244 📠 (01267) 246213 DX: 744630 Carmarthen 10

<http://tinyurl.com/Corporate-Property>

---

**From:** Lapham, Lee (UK - Wales) [<mailto:Lee.Lapham@eu.jll.com>]  
**Sent:** 29 August 2012 17:00  
**To:** [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)  
**Cc:** Jonathan Fearn  
**Subject:** FW: HoT Llanelli

Gents - attached heads of terms, together with our opinion of the marriage value calculation.

Lee

Lee Lapham  
Director - Valuation Advisory  
Jones Lang LaSalle  
One Kingsway | Cardiff CF10 3AN

T: +44 (0)292 072 6001  
M: +44 (0)7989 968487  
[Lee.Lapham@eu.jll.com](mailto:Lee.Lapham@eu.jll.com)  
[www.joneslanglasalle.co.uk](http://www.joneslanglasalle.co.uk)

From Monday 25 June 2012 we have relocated to One Kingsway, Cardiff, CF10 3AN.  
All telephone numbers remain the same

---

**From:** Nyshort@aol.com [  
**Sent:** 21 August 2012 11:38  
**To:** Lapham, Lee (UK - Wales)  
**Subject:** HoT Llanelli

As agreed

Rgds

Nigel

---

Jones Lang LaSalle Limited is a limited company registered in England and Wales. Registration number: 1188567. Registered office: 22 Hanover Square, London W1S 1JA

This e-mail is for the use of the intended recipient(s) only. If you have received this e-mail in error, please notify the sender immediately and then delete it. If you are not the intended recipient, you must not use, disclose or distribute this e-mail without the author's prior permission. We have taken precautions to minimise the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses. If you are the intended recipient and you do not wish to receive similar electronic messages from us in future then please respond to the sender to this effect.

This message is confidential and the information must not be used, disclosed, or copied to any other person who is not entitled to receive it. If you have received this message in error please notify the sender and then delete it.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free.  
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

Mae'r e-bost hwn ac unrhyw atodiadau yn gyfrinachol ac wedi'u bwriadu at ddefnydd yr unigolyn y'u cyfeiriwyd ato/ati yn unig. Os derbyniwch y neges hon trwy gamgymeriad, rhwch wybod i'r sawl a'i hanfonodd ar unwaith, dilwch y neges o'ch cyfrifiadur a dinistriwch unrhyw gopïau papur ohoni. Ni ddylech ddangos yr e-bost i neb arall, na gweithredu ar sail y cynnwys. Eiddo'r awdur yw unrhyw farn neu safbwyntiau a fynegir, ac nid ydynt o reidrwydd yn cynrychioli safbwynt y Cyngor. Dylech wirio am firsau eich hunan cyn agor unrhyw atodiad. Nid ydym yn derbyn unrhyw atebolrwydd am golled neu niwed a all fod wedi'i achosi gan firsau meddalwedd neu drwy ryng-gipio'r neges hon neu ymyrryd hi.

This e-mail and any attachments are confidential and intended solely for the use of the individual to whom it is addressed. If received in error please notify the sender immediately, delete the message from your computer and destroy any hard copies. The e-mail should not be disclosed to any other person, nor the contents acted upon. Any views or opinions expressed are those of the author and do not necessarily represent those of the Council. You should carry out your own virus check before opening any attachment. We accept no liability for any loss or damage which may be caused by software viruses or interception/interruption of this mail.

One Kingsway Cardiff CF10 3AN  
tel +44 (0)29 2072 7666 fax +44 (0)29 2037 3196  
www.joneslangkasale.co.uk

Mr Gary Walters MRICS  
DVS  
Ty Nant  
180 High Street  
Swansea  
SA1 1JR

Your ref  
Our ref LL/sw  
Direct line 029 2072 6001  
Direct fax 029 2037 3196  
Mobile 07989 968 487  
lee.lapham@eu.jll.com

2 October 2012

Dear Mr Walters

Land at Trostre, Llanelli, Carmarthenshire, SA14 9UY

I refer to your e-mail and attachments of 24 September 2012, containing the draft valuation report on the above site and your calculations on the share of marriage value. In accordance with your instructions, I detail below our representations, following the headings detailed in your report.

- 2.3 Basis of Valuation – Market Value should be based on the special assumption that a satisfactory detailed planning consent has been granted for the proposed hotel and pub/restaurant uses, with no onerous conditions attached. Section 4.4 of your report however states that “it is assumed that planning permission for a public house/restaurant and hotel redevelopment of the site would be forthcoming”.
- 4.7 The valuation assumes planning consent has been granted and that the necessary rights will be granted for the prospective purchaser to construct the required access road through the retained property to connect with the adopted highway.

The valuation assumes that there are no abnormal costs associated with services, contamination and ground conditions. The terms of the conditional contract at £850k is based on the same assumptions, but the report should clearly state that the value/price may alter once detailed site investigation are undertaken and this will impact on the value/marriage value calculation.

- 4.8 I strongly disagree in this instance that the appropriate share of the proceeds should be 50:50. I agree that the split is based on the negotiating position of the parties, but disagree that it is well established in valuation case law that proceeds between parties are split equally. Stokes v Cambridge is a CPO ransom case, where 50% was established in certain circumstances. However, the market interpretation of this case is that one third of the uplift in value is payable and the majority of actual transactions in the marketplace are based on one third and not 50%.

The usual approach on the percentage split of the proceeds is to look at the respective value of each parties interest. In this case, my client has the dominant interest, while the Council has a passive freehold ground rent investment which has nominal value.

The report needs to clarify and state that the percentage share of the monies payable to Carmarthenshire is after deductions and relates to the Marriage Value column and not gross proceeds.

I disagree that the Myers v Milton Keynes Development Corporation (1974) case has any bearing on the percentage share of proceeds on a marriage value calculation. This case was primarily about the valuer's task and the Pointe Gourde rule.

#### 5.11 Assumptions

See my comments in 2.3

Marriage Value Calculation		Comment
Valuation of subject site (Long L/H)	£850,000	See 1 below
Scarlets Long L/H	£76,000	Agreed
Carmarthenshire CC L/H	£6,400	Agreed
Legal Costs/Fees	£0	Agreed
Agents Fees	£21,250	Agreed
Payment to HDD	£82,500	See 2 below
HDD Costs	£0	See 2 below
Profit to Scarlets	£30,000	See 3 below
Marriage Value	£633,850	
Say	£630,000	
Carmarthenshire CC Split (50%)	£315,000	See 4 below
Scarlets Split (50%)	£315,000	See 4 below

**Note 1** The valuation is in accordance with the offer from Marstons (and the comparable evidence outlined) and I have no disagreement at £850,000. It should be noted that the offer/valuation assumes an acceptable planning consent, acceptable premises licence, satisfactory site conditions and availability of services. The valuation/price may decrease dependent on the above, which will impact on the marriage value calculation.

**Note 2** The agreement, dated 5<sup>th</sup> April 2012, between Scarlets Regional Limited, HDD Pemberton Limited and Development Securities Plc states that The Scarlets may terminate the Agreement on giving 10 days written notice, such notice to be given within six months of this agreement, conditional on payment of £175,000 (plus VAT if appropriate) and reasonable costs properly incurred up to a

maximum of £50,000.

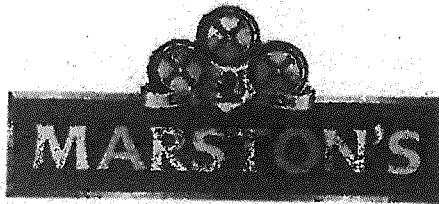
The valuation assumes vacant possession and good title, as at the date of valuation (24 September 2012). In order for the Marstons transaction to proceed, there is a real requirement for payment of the above monies to HDD Pemberton Limited. Without payment of these monies, neither party will be able to benefit from any marriage value. I therefore strongly disagree with the adopted figure of £82,500 and an explanation of how this is arrived at is required, should this be the final figure adopted.

- Note 3 The allowance for profit has rightly been accepted, but I have difficulty in accepting that £30,000 is the correct figure, representing 3.53% of the sale price. I have previously detailed my opinion of 10% and would respectfully request a review of this element.
- Note 4 I have previously discussed my opinion of adopting a 50:50 share of the marriage value and consider it inappropriate in this instance. When coupled with the low deductions adopted for payments to HDD and profit, it cannot be correct that a payment of £315,000 is required to Carmarthenshire County Council, particularly bearing in mind that the council retain their freehold ground rent investment with Marston's. There is a requirement for payment by my client to HDD of £175,000 (£210,000 including VAT) and a probable further payment of £50,000 in respect of their costs, which is not fully allowed for in your calculations. Therefore, my clients share will be £315,000 less £177,500 (£260,000 less £82,500) which equals £137,500. This compares to the required payment of £315,000 to Carmarthenshire CC plus they retain their freehold interest. Again, I would respectfully request a review of the adoption of 50:50 and the level of profit and HDD payments allowed for.

I trust this outlines our opinions on the draft valuation and marriage valuation provided and look forward to the issue of the final version.

Yours sincerely

Lee Lapham  
Director



**HEADS OF TERMS DATED 14/02/2012**

**SITE: Land at Parc y Scarlets, Llanelli**

<b>DEMISE</b>	The long leasehold interest (120 years) of approximately 1.17 acres of land to construct a Two for One format public house and 26 bedroomed hotel plus external drinking terrace, beer garden and 82 car parking spaces as shown for illustration on Axiom Architects drawing number 2920-P104.
<b>PURCHASE PRICE</b>	£850,000 (Eight Hundred and Fifty Thousand Pounds) for a viable plot
<b>VAT</b>	The purchase price is exclusive of VAT
<b>DEPOSIT</b>	A refundable deposit of £10,000 will be payable on exchange of contracts.
<b>VENDOR</b>	Llanelli Scarlets RFC
<b>VENDOR'S SOLICITOR</b>	Morgan LaRoche, Bay House, Tawe Business Village, Phoenix Way Enterprise Park, Swansea SA7 9LA – FAO Kevin Thomas. 01792 776740 kthomas@morganlaroche.com
<b>PURCHASER</b>	Marston's Estates Limited, Marston's House, Brewery Road, Wolverhampton WV1 4JT
<b>PURCHASER'S SOLICITOR</b>	Shoosmiths, 125 Colmore Row, Birmingham B3 3SH – FAO Cherry Elliott 0121 335 4133
<b>RIGHTS GRANTED IN PERPETUITY IN FAVOUR OF THE PURCHASER</b>	<p>A full and unrestricted right of way at all times and for all purposes to and from the demise and the public highway over and along any access road and footpath required.</p> <p>Free and uninterrupted passage of services through all and any conducting media running through the Vendor's Land and a right to lay new conducting media through the Vendor's Land and connect into such conducting media together with any rights required by statutory authorities providing services to the demise.</p> <p>A right to erect usual trade and directional signage on such parts of the Vendor's Land as is agreed between the Vendor and Purchaser (acting reasonably) together with rights to lay ducting and cables to and from such signage.</p>
<b>COVENANTS/RESTRICTIONS IN PERPETUTITY IN FAVOUR OF THE PURCHASER</b>	<p>The Vendor shall not permit any conducting media which serves other land to be laid through the demise.</p> <p>The Vendor shall not permit the Vendor's retained land to be used for the purposes of a public house.</p>
<b>CONTRACTUAL CONDITIONS</b>	<p>(a) Planning Condition - The grant of an acceptable planning consent for construction of the proposed public house specified above including but not by limitation, manager's accommodation, service areas, outside terrace, beer garden, landscaping car parking and site access</p> <p>(b) Licensing Condition - The grant of an acceptable full premises</p>

	<p>licence in accordance with the Purchaser's usual licensing requirements</p> <p>(c) Site Condition - The obtaining of satisfactory geotechnical, topographic and environmental surveys and assessments to enable the Purchaser to build a two storey public house of the format proposed using strip foundations to an economic depth of 1000mm or less.</p> <p>(d) Services – availability of all mains services in the adjoining highway with no abnormal cost of connection. Service capacities required are:</p> <ul style="list-style-type: none"> <li>• <u>BT</u> Underground BT service required to provide minimum of 8 lines</li> <li>• <u>Electricity</u> Electrical capacity – 140kVA 230/400V PT 50 Hz with Protective Multiple Earthing (PME).</li> <li>• <u>Water</u> Water requirements - 2.5 Litres/second Flow Rate.</li> <li>• Fire hydrant is required within 90m of the centre of the site</li> <li>• <u>Gas</u> Gas requirements - 371kW (35m/h)</li> <li>• <u>Foul Water Drainage</u> 24 hr mean – 0.17l/s 3hr evening peak – 0.95 l/s Max peak – 5.61 l/s  Outfall to be at the boundary at a level to allow discharge by gravity without the need for shallow falls, pumping or excessive excavation.</li> <li>• <u>Surface Water Drainage</u> Surface water capacity to be sufficient to allow discharge from the site without the need for attenuation, oversize pipes or any other special means. Outfall to be at the boundary at a level to allow discharge by gravity without the need for shallow falls, pumping or excessive excavation.</li> </ul> <p>(e) Long Stop Date – 18 months from exchange subject to extension of time to allow for any planning or licensing appeal</p>
<b>PURCHASER'S WORKS</b>	<p>The Purchaser shall undertake the following works:</p> <p>Construct an access road to provide site access/egress. The route of this road is shown hatched brown on the plan attached. This road shall be to full HGV specification and hours of use will be unrestricted. The vendor will have rights over this access road at all times to access it's retained land for car parking purposes.</p>
<b>LEGAL COSTS</b>	Each party to bear their own costs.
<b>TERMS OF OFFER</b>	The offer is made subject to contract and Marston's formal board approval.

Marston's would like to arrange a site meeting within four weeks of acceptance of these terms to discuss the project with your professional team. It would also be useful if you could provide copies of any existing survey information as soon as possible.



Site 1, Overflow Car Park, Pemberton, Llanelli

Leasehold (merged)  
(Marstons) £800,000

**Less**

Existing long leasehold value (Scarlets) £75,000  
Existing freehold value (CCC) £10,000  
Legal & Agents Fees £40,000  
Payment to HDD £175,000  
HDD costs £50,000

Total costs £350,000

Profit to Scarlets for arranging sale etc (10%) £80,000  
Distributable marriage value £370,000

**Split**

80:20 Scarlets pay 20% of marriage value ie £74,000 to CCC ( 10k existing F/H value maintained)

LL  
27/07/2012

Site 1, Overflow Car Park, Pemberton, Llanelli

Leasehold (merged)  
(Marstons) £850,000

**Less**

Existing long leasehold value (Scarlets) / Existing freehold value (CCC) £0  
Ignore, as value of Scarlets' interest is cancelled out by CCC's use of  
the land for all periods not required for matches

Legal £0  
CCC and Scarlets both incur these costs so they cancel out

Agents Fees (Scarlets) £20,000?  
Needs to be verified as may be paid by Marston's as an introduction fee.  
Which agent was used and on what basis?

Payment to HDD / HDD costs £0  
A private matter for the Scarlets from their share of the proceeds – the  
£175K was an additional incentive payment already paid to the Scarlets  
to the related town centre lease deal and is nothing to do with the  
Council. The Council would happily wait a few years for the disposal  
of the site rather than have to pay HDD anything

Total costs £20,000?

Distributable marriage value £830,000

Split: 50:50 i.e. £415,000 to CCC and £414,00 to The Scarlets  
Both CCCs and The Scarlets approvals are needed to release the site jointly, so both  
parties should share the proceeds equally

JF  
31/08/2012

Jonathan Fearn MRICS  
Head of Corporate Property  
Carmarthenshire County Council  
Building 8, St David's Park  
Job's Well Road  
Carmarthen  
SA31 3HB

(via e-mail)

Swyddfa Brisió Abertawe/Swansea Valuation Office

Ty Nant  
180 Stryd Fawr  
Abertawe  
SA1 1JR

Ty Nant  
180 High Street  
Swansea  
SA1 1JR

Eich cyf/Your ref :  
Ein cyf/Our ref : 1420248/GRW

Gofynnwch am/Please ask for : G R Walters MRICS  
Ffôn/Tel : 03000 500194  
Ffacs/Fax : 03000 504194

E-bost/E-mail : gary.r.walters@voa.gsi.gov.uk

Dyddiad/Date : 24<sup>th</sup> September 2012

Dear Jonathan

**Subject of Valuation:** LAND AT TROSTRE, LLANELLI, CARMARTHENSHIRE  
SA14 9UY  
**Purpose of Valuation:** INDEPENDENT VALUATION REPORT – MARKET VALUE  
**Clients:** CARMARTHENSHIRE COUNTY COUNCIL/LLANELLI  
RUGBY FOOTBALL CLUB (SCARLETS REGIONAL LTD)

I refer to your e-mail received 16<sup>th</sup> July 2012 and our meeting on 2 August 2012 at your offices. I am instructed to undertake a joint independent valuation on behalf of Llanelli Rugby Football Club and Carmarthenshire County Council.

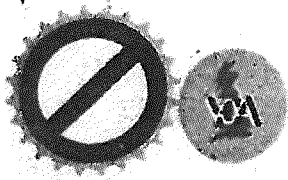
I attach my draft valuation report under the provisions of my Independent Valuer appointment. As part of the independent process, I invite both parties to make representations to me before my common valuation report is finally issued. I expect to make my final report to both parties within the next two weeks and will accept representations from either party until the close of business on 8<sup>th</sup> October 2012.

Yours sincerely

*Gary R Walters*

Gary Walters MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS

c.c. Lee Lapham MRICS, Director, Jones Lang Lasalle, One Kingsway, Cardiff CF10 3AN



**DVS** Property Specialists  
for the Public Sector



Lee Lapham MRICS  
Director  
Jones Lang Lasalle  
One Kingsway  
Cardiff  
CF10 3AN

(via e-mail)

Swyddfa Brisió Abertawe/Swansea Valuation Office

Tŷ Nant  
180 Stryd Fawr  
Abertawe  
SA1 1JR

Tŷ Nant  
180 High Street  
Swansea  
SA1 1JR

Eich cyf/Your ref :  
Ein cyf/Our ref : 1420248/GRW

Gofynnwch am/Please ask for : G R Walters MRICS  
Ffôn/Tel : 03000 500194  
Ffacs/Fax : 03000 504194

E-bost/E-mail : gary.r.walters@voa.gsi.gov.uk

Dyddiad/Date : 24<sup>th</sup> September 2012

Dear Lee

**Subject of Valuation:**

LAND AT TROSTRE, LLANELLI, CARMARTHENSHIRE  
SA14 9UY

**Purpose of Valuation:**

INDEPENDENT VALUATION REPORT – MARKET VALUE

**Clients:**

CARMARTHENSHIRE COUNTY COUNCIL/LLANELLI  
RUGBY FOOTBALL CLUB (SCARLETS REGIONAL LTD)

I refer to your e-mail received 16<sup>th</sup> July 2012 and our meeting on 2 August 2012 at your offices. I am instructed to undertake a joint independent valuation on behalf of Llanelli Rugby Football Club and Carmarthenshire County Council.

I attach my draft valuation report under the provisions of my Independent Valuer appointment. As part of the independent process, I invite both parties to make representations to me before my common valuation report is finally issued. I expect to make my final report to both parties within the next two weeks and will accept representations from either party until the close of business on 8<sup>th</sup> October 2012.

Yours sincerely

*Gary R Walters*

Gary Walters MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS

c.c. Jonathan Fearn MRICS, Head of Corporate Property, Carmarthenshire County Council  
Building 8, St David's Park, Job's Well Road, Carmarthen

**Market Valuation  
Report for:  
Land at Trostre,  
Llanelli,  
Carmarthenshire  
SA14 9UY**



**Draft Independent Valuation Report  
for:**

**Carmarthenshire County Council &  
Llanelli Rugby Football Club Ltd**

**Prepared by:  
Gary R Walters MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS**

**Tel: 03000 500194**

**E-mail: [gary.r.walters@voa.gsi.gov.uk](mailto:gary.r.walters@voa.gsi.gov.uk)**

**DVS Reference: 1420248/GRW**

**Client Ref: Jonathan Fearn MRICS,  
Head of Corporate  
Property, Carmarthenshire  
County Council**

**Date: 24<sup>th</sup> September 2012**

## Contents

1. Executive Summary.....	4
1.1 Location.....	4
1.2 Description .....	4
1.3 Tenure.....	4
1.4 Market Value .....	4
1.5 Valuation Date.....	4
2. Background and Introduction.....	5
2.1 Instructions.....	5
2.2 Purpose of Valuation .....	5
2.3 Basis of Valuation.....	5
3. Property Information .....	6
3.1 Type of Property .....	6
3.2 Situation .....	6
3.3 Roads.....	6
3.4 Services .....	6
3.5 Date of Inspection.....	6
3.6 Location.....	7
3.7 Description .....	7
3.8 Site Area.....	8
3.9 Tenure.....	8
3.10 Property Tax.....	8
3.11 Heads of Terms of 2008 Lease .....	8
4. Valuation .....	9
4.1 Market Commentary.....	9
4.2 Valuation Methodology .....	9
4.3 Validity.....	10
4.4 Planning .....	10
4.5 VAT.....	11
4.6 Date of Valuation.....	11
4.7 Opinion of Value.....	11
4.8 Determination of Apportionment of Proceeds .....	11
5. Additional Information.....	12
5.1 Conflict of Interest.....	12
5.2 Contamination .....	12
5.3 Flood Risk .....	12
5.4 Information Provided .....	12
5.4.1 Source of Information Relied Upon.....	12
5.5 Extent of Investigations.....	12
5.6 Currency.....	12
5.7 Liability to Third Parties .....	13
5.8 Mineral Stability .....	13
5.9 Equality Act 2010.....	13
5.10 Plant & Machinery .....	13
5.11 Assumptions.....	13
5.12 RICS Valuation Standards.....	15

5.13 Status of Valuer .....	15
5.14 Responsibility .....	16
5.15 Publication .....	16
5.16 Freedom of Information .....	16
6. Exempt Information .....	16
6.1 Exempt Information for Local Authority Only .....	16
7. Photos .....	18
8. Plans .....	20

## 1. Executive Summary

District Valuer Services, part of the Valuation Office Agency, has been jointly commissioned by Carmarthenshire County Council and Llanelli Rugby Football Club Ltd (Scarlet's Regional Ltd) to produce an independent valuation report in respect of a parcel of land at Trostre, Llanelli.

Under the provisions of my appointment to provide an independent valuation, this document is a draft valuation report; as part of the independent process, I invite both parties to make representations to me before my common valuation report is finally issued.

### 1.1 Location

The property is located approximately 1.2 miles east of the town of Llanelli, which is one of the two primary towns of the rural County of Carmarthenshire.

### 1.2 Description

The property comprises an undeveloped, irregular shaped parcel of land, which forms part of a wider parcel of land, which is used as an overflow car parking area for the Llanelli (Scarlets) Rugby Football Club.

### 1.3 Tenure

Leasehold interest - comprising 120 years from a date current, at a peppercorn.

### 1.4 Market Value

£850,000 (eight hundred and fifty thousand pounds).

### 1.5 Valuation Date

24<sup>th</sup> September 2012.



## 2. Background and Introduction

### 2.1 Instructions

I refer to the e-mail received 16 July 2012 from Carmarthenshire County Council, requesting an independent valuation report of a parcel of Land at Trostre, Llanelli. Confirmation of my valuation instructions was sent to Carmarthenshire County Council, in a letter dated 24 July 2012. Following revised valuation instructions, a subsequent letter confirming revised instructions was sent to both parties on 7 September 2012.

### 2.2 Purpose of Valuation

I have been jointly instructed by both Carmarthenshire County Council and Llanelli Rugby Football Club Ltd (Scarlets Rugby Football Club) to act as an Independent Valuer between the parties to provide the following valuation advice on a parcel of land at Trostre, Llanelli. The land is subject to a lease between the landlord (Carmarthenshire County Council) and the tenant (Llanelli RFC). The land is known as Site 1 and is currently used as an overflow car park, which is restricted under the lease (and planning permission for the stadium) to car parking only.

A development opportunity has arisen on the land, outside the terms of the existing lease and I have been instructed to provide a market value of part of Site 1, which comprises approximately 1.171 acres. I am instructed to provide a long leasehold valuation of 120 years, under the assumption of a new or revised lease. In addition, I have been instructed to provide a determination of the split of the proceeds of the land in question between the landlord (Carmarthenshire County Council) and the tenant (Llanelli RFC). As instructed, the split will be expressed as a percentage.

Under the provisions of my instructions to provide an independent valuation, this document is a draft valuation report. As part of the independent process, I invite both parties to make representations to me before my common valuation report is finally issued.

### 2.3 Basis of Valuation

The basis of valuation adopted is Market Value which is:-

*"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."*



### 3. Property Information

#### 3.1 Type of Property

The property comprises an undeveloped, irregular shaped parcel of land, which forms part of a wider parcel of land, which is used as an overflow car parking area for Llanelli RFC (Scarlets Rugby Football Club). The club stadium is situated in close proximity, approximately 150 metres away.

#### 3.2 Situation

The land is situated in a prominent position, lying contiguous to the south east of a 2008 built roundabout. The roundabout forms an intersection of the A484, which provides access to the nearby Trostre Steelworks, and access to a road which serves access to the Llanelli RFC (Scarlets) stadium and Pemberton Retail Park. Pemberton Retail Park is situated in close proximity to the north.

Further to the west of the immediate roundabout (100 metres distant) lies the main Trostre roundabout, which forms the interchange of the A484/A3138. The main Trostre roundabout is a six-arm roundabout with the most complex junction arrangements in Llanelli, particularly since the development of the A484 route and the Coastal Link Road.

The character of the immediate area is one of a commercial retail park/one of an undeveloped character, with approximate respective proportions of 70% and 30%.

Llanelli is one of the two primary towns in the County of Carmarthenshire.

For identification purposes only, the property is outlined in RED on the attached plan. In addition, eight photographs of the property are attached.

#### 3.3 Roads

The property is situated in a prominent position, lying southwest of the intersecting A484 roundabout, which provides access to Pemberton Retail Park and the Parc y Scarlets stadium.

Communication links are good with Junction 48 of the M4 motorway lying to the northeast, approximately four miles away.

#### 3.4 Services

I am informed that mains gas, water, drainage and electricity are available in the immediate vicinity.

#### 3.5 Date of Inspection

An inspection of the property was made on 2 August 2012. The weather was intermittent showers as at the time of my inspection.

### 3.6 Location

The immediate location of Pemberton/Trostre has been subject to substantial new development in recent years. The new development comprises the construction of a new Retail Park (Parc Pemberton) a major expansion of the existing Parc Trostre Retail Park, in addition to the new Scarlets' stadium (Parc y Scarlets). Associated infrastructure with new roads, have also been constructed to serve the new developments and provide betterment to the area. In 2008, the Morfa to Berwick Link Road was constructed by Costain. This new 2.6 km road has unlocked land in the area and reduced congestion at the Trostre interchange.

In October 2007, an 80,000 ft<sup>2</sup> Morrisons Supermarket with an associated Petrol Filling Station opened nearby.

Parc Pemberton comprises a 123,800 ft<sup>2</sup> shopping park, which was developed in the spring of 2008 by Stadium Developments. It comprises 12 retail units ranging from 5,000 – 32,000 ft<sup>2</sup>, which is anchored by a Homebase DIY store. There are 616 free car spaces. Current occupiers include Maplins Electronics, Argos, Currys, Allied carpets in addition to an A3 Frankie & Benny's restaurant.

Parc Trostre Retail Park comprises a 450,000 ft<sup>2</sup> shopping park. Originally commenced in 1988 with a Tesco supermarket as an anchor, the retail park was greatly extended in 2007/2008 by Stadium Developments. The development now comprises approximately 37 units ranging from 800 ft<sup>2</sup> to 65,000 ft<sup>2</sup>. Tenants include W H Smith, Next, New Look in addition to Marks & Spencers, BHS and Debenhams as additional anchor tenants. Parc Trostre South provides a further 100,000 ft<sup>2</sup> of retail space, which has B&Q, Dreams and Pets at Home as tenants.

In November 2008, the 14,870 capacity Parc y Scarlets stadium opened at a cost of £23 million.

The city of Swansea lies to the southeast approximately 10 miles distant.

### 3.7 Description

The property comprises an undeveloped, irregular shaped parcel of land, which forms part of a wider parcel of land (known as Site 1) which is used as an overflow car parking site for the Scarlets Rugby Football Club. Local signage designates the property as forming part of Scarlet's Car Parking Site 'A'.

The land is level and in the main, comprises of an enclosed parcel of car parking land, which has a surface of loose stone chippings. The northern and western boundaries of the land are formed by a post and rail timber fence, which has a height of approximately 1.2 metres. The northern boundary is further supplanted by a screen of medium sized trees and hedgerows. The eastern boundary is formed by an overgrown area of rough grass interspersed with small hedges. Further to the east lies a natural ditch formed by the New Dafen River. The physical southern boundary of the subject property is ill-defined 'on the ground' with the remainder of the Site 1 car parking land.

Vehicular access to the over flow car park is via a timber access gate, which fronts the access road to the nearby Trostre Tin Plate works, operated by Tata Steel.

The Scarlets' stadium (Parc y Scarlets) is situated in close proximity, located approximately 150 metres away to the northeast.

The site is situated approximately 5.0 metres above Ordnance Datum (AOD).

The subject property forms part of a wider area of land designated as Site 1 in the 2008 lease. I am informed that the total area of Site 1 is 2.82 acres.

### 3.8 Site Area

I am informed that the area of the land to be valued is approximately 0.474 of a hectare (1.171 acres).

The subject property forms part of a wider area of overflow car parking land of approximately 2.82 acres.

### 3.9 Tenure

It is understood that the tenure is leasehold, comprising 120 years from a date current, at a peppercorn.

### 3.10 Property Tax

The property comprises undeveloped land with no buildings thereon; consequently it is not subject to Rating or Council Tax.

### 3.11 Heads of Terms of 2008 Lease

The land is currently subject to a lease between the parties, dated 2008, with the following Heads of Terms:-

- Landlord - Carmarthenshire County Council
- Tenant - Llanelli RFC
- Term - 150 years at a peppercorn
- User Clause - Not to use the premises other than a Sports Stadium and activity ancillary for sports Stadium use (Para 3.10)
- Right of Landlord - To use the subject land on non-match days (Sch.1 Part 2 Exceptions & Reservations clause 9)

Although the above terms will be surrendered and will not be replicated in the proposed new lease of the subject property, they form the starting point of potential negotiations between the parties in any new lease.

## 4. Valuation

### 4.1 Market Commentary

The subject land forms part of a wider parcel of land (of 2.82 acres) which is subject to a potential lease agreement of 120 years. The potential lease agreement is between Carmarthenshire County Council (proposed landlord) and Marston's Estates Ltd (proposed Tenant). The proposed premium to be paid by the tenant is £850,000, for the construction of a 180 cover public house/restaurant and hotel.

Site 1 is currently leased to the Scarlets Rugby Club as part of the lease of the stadium and grounds for 150 years. To achieve the potential leasehold sale, the Council as freeholder and the Scarlets would need to agree a surrender of part of Site 1 for a grant of a new lease of the relevant area surrendered direct to the proposed purchaser (Marston's).

### 4.2 Valuation Methodology

My valuation is based upon the comparable method of valuation, based upon sales evidence of comparable properties in the South West Wales area and wider Principality. Combined with my knowledge of market trends between the dates of the comparable transactions and the current date, evidence of historic transactions have been considered and weighted as part of the overall process of valuation. In arriving at my valuation, I have adopted a rate of £725,000 per acre, which compares favourably with the 2007 Llandafen Road and Port Talbot transactions.

In arriving at my valuation, I have considered the evidence of the following properties in descending order of comparability:-

*Land to south of Llandafen Road  
Pemberton*

*Llanelli*

*SA14 9BD*

*(acquisition of 2.03 acres of land by  
Whitbread Group Plc for a 50 bed  
Premier Travel Inn Hotel & restaurant  
at Pemberton Retail Park)*

*Sold £1,787,258*

*26 October 2007*

*Land for Marston's Pub*

*(The Copper Penny)*

*Baglan Retail Park*

*Port Talbot*

*SA12 7BZ*

*(acquisition of 0.483 of an acre of land  
by Marston's Property Developments  
for a public house & restaurant)*

*Sold £414,000*

*23 December 2011*

*Land at Holyhead (Penrhos) Retail Park*

*Holyhead*

*LL65 2UQ*

*(acquisition of 0.64 of an acre of land by*

*Marston's Property Developments for a  
180 cover public house & restaurant.  
Building is currently under construction)*

*Sold £936,000*

*3 February 2012*

*Land at Moorhen Close, Swansea Vale  
Enterprise Park (near Axis Court)  
Swansea  
SA7 0AP*

*(agreed sale between Swansea Council and  
Sylfaen Wales Ltd of a 5.15 acre parcel of  
land for a 150 medium quality hotel &  
35,000 ft<sup>2</sup> of offices. Sale agreed in Autumn  
2009 at £723,000 with Abnormal development  
cost IRO of £275,000. Abortive transaction in  
2010)*

*Land at Stephens Way,  
Pensarn, Llangunnor  
Carmarthen  
SA31 2BG*

*(acquisition of a parcel of land by  
Marston's Property Developments for a  
public house & restaurant (The Caraway).  
Building is currently in construction)*

*Pending sale*

#### 4.3 Validity

This report remains valid for 3 (three) months from its date unless market circumstances change or further or better information comes to light, which would cause us to revise our opinion.

#### 4.4 Planning

The property is shown in the 19 July 2006 adopted Carmarthenshire Unitary Development Plan as within the defined settlement boundary of the town of Llanelli.

The property is further identified in the Plan as being part of a parcel of land identified as Policy PDB21. Policy PDB21 is designated in Appendix 3 the Plan as a specific Strategic and Local Regeneration Site, known as Parc Trostre (East) which falls under Policy E15 of the Plan:-

*The Parc Trostre (East) site is situated between McDonalds and Ty'r Nant and incorporates a site previously designated as Open Space; it was granted full planning permission in August 1997 for a Gymnasium Complex. The principle of development on this part of the site can therefore be considered established for this particular use and others in the same Use Class.*

*Prospects of development for offices, car-showroom, gym complex would be conditional upon no adverse impact on town centre.*

Policy E15 is designated as a Strategic Regeneration Policy for the Pemberton area, which includes the subject site.

A planning application (reference S/26889) on the land was received by the Local Planning Authority (LPA) on 18 July 2012. An application for the construction of a proposed public house/restaurant and hotel was submitted by Marston's Inns and Taverns. The application is currently being considered by the LPA. No formal enquiries have been made with the LPA and it is assumed that planning permission for a public house/restaurant and hotel re-development of the site would be forthcoming.

**4.5 VAT**

It is understood that this transaction is not one to which VAT is applicable and the stated opinion of value has due regard to this fact. In the event that this understanding is found not to be accurate, the valuation should be referred back for reconsideration.

**4.6 Date of Valuation**

The date of valuation is the date of this report, 24<sup>th</sup> September 2012.

I would draw your attention to the fact that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

**4.7 Opinion of Value**

I am of the opinion that the current market value of the long leasehold interest of the property is the sum of £850,000 (eight hundred and fifty thousand pounds).

The valuation is exclusive of costs and fees in disposing/acquiring the property, and my District Valuer surveyor fee.

**4.8 Determination of Apportionment of Proceeds**

I have been instructed to calculate the percentage apportionment between the parties of any proceeds that a long leasehold disposal of the property may realise.

I am of opinion that the percentage apportionment between the parties is weighted equally - 50% to Carmarthenshire County Council and 50% to Llanelli RFC.

Whilst any split is based upon the negotiating position of the parties, it is well established in valuation case law that proceeds between parties are split equally. Precedent of an equal split was held in the 'ransom' land case of *Stokes v Cambridge* (1961). An equal proportion split was also held in the case of *Myers v Milton Keynes Development Corporation* (1974).



## 5. Additional Information

### 5.1 Conflict of Interest

We are satisfied that accepting this instruction will not give rise to a conflict of interest.

### 5.2 Contamination

I have not carried out any investigation into past or present uses, either the property or any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property. I am not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination however, should it be established subsequently that contamination exists at the property or any neighbouring land, or that the premises have been or being put to any contaminative use, this might reduce the values now reported.

### 5.3 Flood Risk

I have not examined the records of the Environment Agency with regard to risk of flooding in respect of either the subject property or the immediate surrounding area. I have not been presented with any evidence of historic flooding, and for the purpose of this valuation any such risk perceived or otherwise is assumed not to exist. In the event that information comes to light which shows a risk is present, then the value reported may be adversely affected.

### 5.4 Information Provided

*We have assumed that all information provided by you with regard to details of tenure, and all other relevant information is correct. Advice will, therefore, be dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of the valuation may be affected.*

#### 5.4.1 Source of Information Relied Upon

A valuation is a prediction of price, not a guarantee, and different valuers can properly arrive at a different opinion of value. The definition of Market Value requires a valuer to arrive at the top of a range. Historically it has generally been considered that valuers can be within a range of possible values.

### 5.5 Extent of Investigations

Our valuation is based on the information which either you have supplied to us, or which we have obtained from our enquires. We have relied on this being correct and complete and on there being no undisclosed matters which would affect our valuation.

### 5.6 Currency

For the purposes of these valuations the currency adopted is pounds sterling.



**5.7 Liability to Third Parties**

This Valuation Report is provided for the stated purpose only and is for the sole use of Carmarthenshire County Council and Llanelli RFC. It is confidential to both parties and their professional advisors and we accept no responsibility whatsoever to any third party who may seek to rely on it.

**5.8 Mineral Stability**

The property is situated in an underground mining area and in view of the possibility of mine workings and the increased risk of damage from underground mining subsidence it is recommended in our Standard Terms of Business (a copy of which has been supplied) that a report is obtained from the Agency's Mineral Valuer. However as you have not requested such a report you are deemed to have instructed the Agency to assume in arriving at its valuation:

(1) that the property valued is not at the date of valuation affected by any mining subsidence and will not be so affected in the future, and

(2) that the site is stable and will not occasion any extraordinary costs with regard to Mining Subsidence.

You hereby accept that the Board of HMRC for and on behalf of the Agency and its employees cannot, in these circumstances, provide any warranty, representation or assurance whatsoever to you or any third party as to the mineral stability or otherwise of the subject property valued and you hereby agree to waive any claim which you might otherwise have had against the Board, the Agency or any of their employees for negligence or breach of contract arising from any loss or damage suffered as a result of the fact that the Agency's valuation on your specific instructions, is to take no account of any matters which might reasonably be expected to have been disclosed by an Underground Mining Subsidence Report.

**5.9 Equality Act 2010**

Whilst I have had regard to the provisions of the Equality Act 2010 in making this report, it is recommended that you commission an access audit to be undertaken by an appropriate specialist in order to determine the likely extent and cost of any alterations that might be required to be made to the premises or to your working practices in relation to the premises in order to comply with the Act.

**5.10 Plant & Machinery**

The valuation excludes plant and machinery except where it is considered to be an integral part of any building or structure and essential for its effective use.

**5.11 Assumptions**

The opinion of value has been arrived at having regard to the following Assumptions, Special Assumptions, reservations and special instructions or Departures:



- (a) no information has been provided on the title to the property and it is assumed that good title can be shown and the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings;
- (b) the property has the necessary statutory consents for the current buildings and use and there are no policies or proposals by statutory authorities that could impact positively or adversely on the value;
- (c) the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice, and neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any condition;
- (d) it is assumed that the property is in good repair except for any defects specifically mentioned in this report;
- (e) no detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property has been undertaken and no responsibility can be accepted for identification or notification of those defects which would only be apparent following such surveys or inspection. It is assumed that the inspection of those parts that have not been inspected would neither reveal defects nor cause me to alter my valuation materially;
- (f) no information has been provided regarding the building services and associated Plant & Machinery and no investigation or testing has been undertaken. It is assumed that the services and any associated controls and software are in working order and free from defect;
- (g) no investigation has been undertaken or information provided regarding the use of deleterious or hazardous materials or techniques in the construction of the property. It is assumed that no such materials or techniques have been used;
- (h) no investigation has been undertaken or information provided regarding the presence of contamination or hazardous substances in the property or any costs involved with their removal. It is assumed that there is no contamination or hazardous substances in the property (including its site) and neighbouring properties;
- (i) no environmental assessment has been carried out and no information provided on environmental issues. It is assumed that the property is unaffected by environmental factors that are either an inherent feature of the property itself or the surrounding area which could impact on its value;
- (j) no investigation has been carried out and no information provided into the presence of naturally occurring radon gas. It is assumed that no radon gas is present in the property;

- (k) where there is high voltage electrical supply equipment close to or at the property which may affect its marketability if appropriate this has been reflected in my valuation;
- (l) any information supplied by you or on your behalf by a third party, material to the valuation of the property, is complete and correct. I have relied on this information and should it prove to be incorrect or inadequate the accuracy of my valuation may be affected;
- (m) no responsibility or liability will be accepted for the true interpretation on the legal position of the client or other parties;
- (n) no allowance has been made for liability for taxation which may arise on disposal, whether actual or notional, and the valuation does not reflect the costs of acquisition or realisation;
- (o) no extraordinary costs will be incurred in providing mains services to the site, due to poor sub soil conditions and in the development of the site for the proposed use;
- (p) maintenance of roads and footpaths ex adverso the property is the responsibility of the local authority;
- (q) that no access audit will be undertaken to ascertain compliance with the Equality Act 2010 and that the premises are compliant. The Agency's Building Surveyors can undertake such audits subject to a separate fee;
- (r) In the case of trading related properties the Valuer will assume that all licences, fire certificates and permissions required to operate the business will be transferable to a purchaser.

#### 5.12 RICS Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation Standards, 8<sup>th</sup> Edition except where agreed departures have been made (detailed above) in accordance with your instructions.

In accordance with RICS requirements it is confirmed that the valuer has the appropriate knowledge, skills and understanding to undertake the valuation competently. It is further confirmed that the valuer is a member of the Royal Institution of Chartered Surveyors, is an RICS Registered Valuer and has over 23 years experience in valuing properties in the Principality and 26 years in the profession.

#### 5.13 Status of Valuer

The valuation has been carried out by me in the capacity of an External Valuer who conforms to the requirements of the RICS Valuation Standards, 8<sup>th</sup> Edition.



#### 5.14 Responsibility

This valuation should only be used for the purpose stated therein, and no responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of this report.

#### 5.15 Publication

Neither the whole or 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 our written approval of the form and content in which it may appear.

#### 5.16 Freedom of Information

The Freedom of Information Act 2000 or Environmental Information Regulations 2004, and subordinate legislation, may apply to some or all of the information exchanged between yourself and the Valuation Office Agency under this engagement. Therefore the Valuation Office Agency's duty to comply with the Freedom of Information Act may necessitate, upon request, the disclosure of information provided by you unless an exemption applies.

The Valuation Office Agency undertakes to make reasonable endeavours to discuss the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, with you prior to responding to any third party requests. However, the Valuation Office Agency reserves the right to comply with its statutory obligations under the Act in such manner, as it deems appropriate.

The Valuation Office Agency requires you to make all reasonable endeavours to discuss with us the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, prior to your responding to any third party requests for information provided to you by the Valuation Office Agency.

### 6. Exempt Information

#### 6.1 Exempt Information for Local Authority Only

You may wish to consider whether this report contains Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (Sections 1 and Part 1 of Schedule 1 to the Local Government (Access to Information) Act 1985), as amended by The Local Government (Access to information) (Variation) Order 2006.

We trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further, as above.

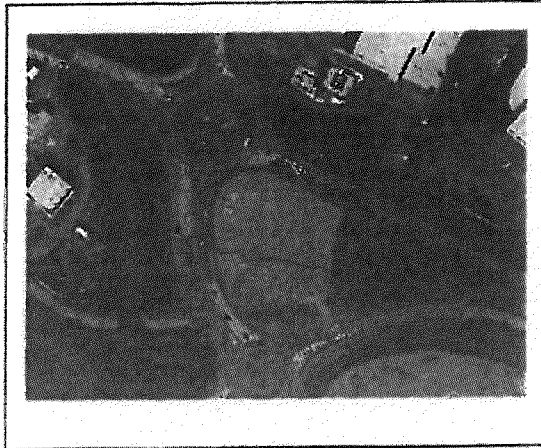
*Gary R Walters*

Gary R Walters MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS

Enc.



## 7. Photos



*Aerial photograph with approximate area of  
land outlined in red  
(viewpoint looking to north)*



*Eastern area of subject property, with  
Scarlets' stadium in background and  
showing vehicular access  
(viewpoint looking to northeast)*



*Central area of site with Trostre steelworks  
in background  
(viewpoint looking to southeast)*



*Northern and western area of site  
(viewpoint looking to west)*



*Northern and eastern area of site  
(viewpoint looking to east-southeast)*



*Western and north-western area of site  
(viewpoint looking to northwest)*



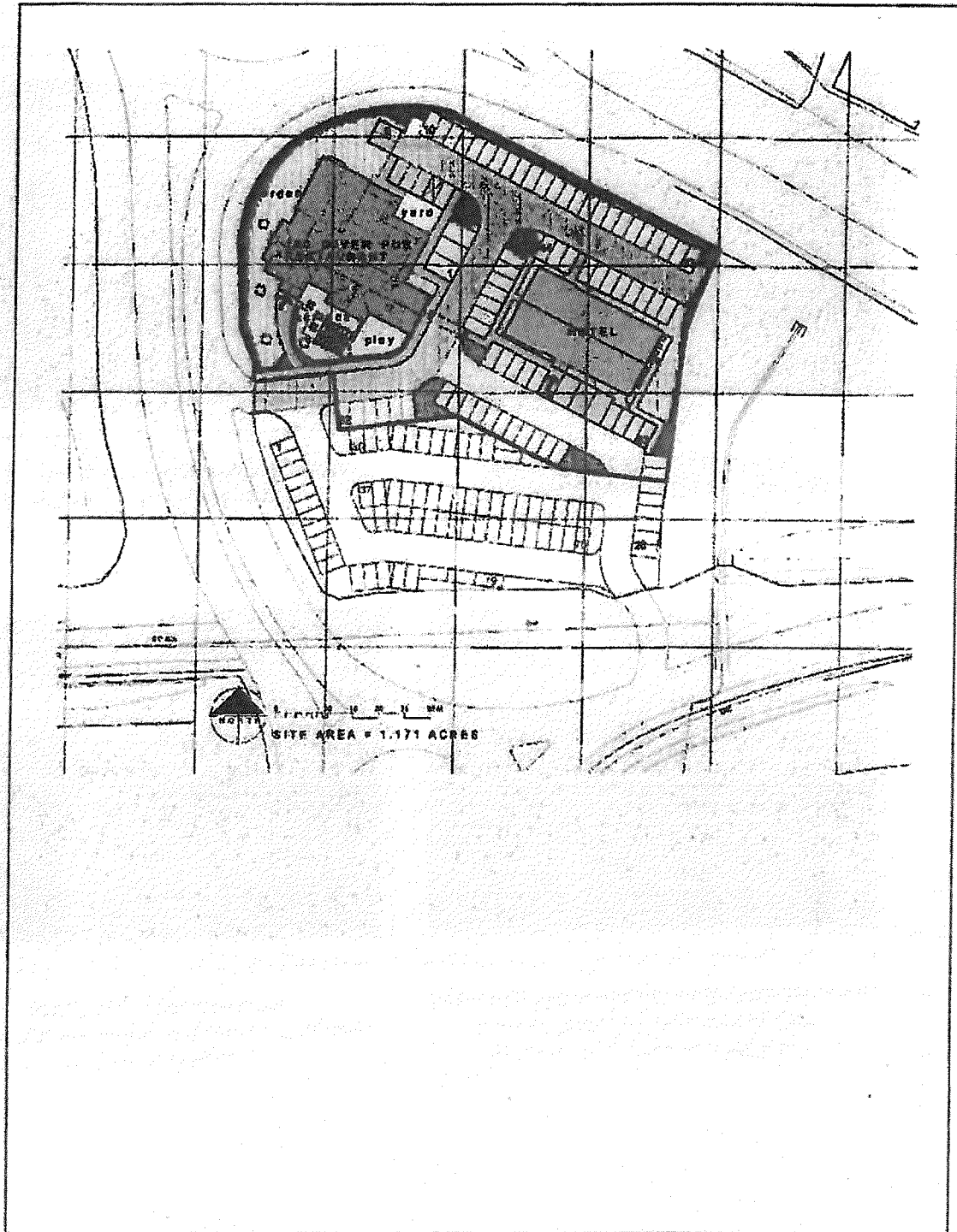
*North-western area of subject site and wider  
area of over flow car parking area  
(viewpoint looking to north-west)*



*North-eastern area of site  
(viewpoint looking to northeast taken near  
western boundary)*



## 8. Plans





Site 1 Overflow Car Park - Land at Troste, Llanelli, Carmarthenshire SA14 9UY BVS Case 1420246 / GRW		Carmarthenshire County Council & Llanelli RFC (Scarlets)	
	DV OPINION	SCARLETS' OPINION	COUNCIL OPINION
	DV Component Sum/Value	Scarlets Component Sum/Value	Council Component Sum/Value
Long Leasehold Valuation of Subject site of 1.171 acres	£850,000	£800,000	£850,000
less Scarlets Long Leasehold Interest	-£76,000	-£75,000	£0
less Carmarthenshire County Council F/H Interest	-£6,400	-£10,000	£0
less Legal costs/Fees	£0		£0
less Agents Fees	-£21,250	-£40,000	£0
less Payment to HMID	-£82,500	-£175,000	-£70,000
less HMID Costs	£0	-£50,000	£0
Profit to Scarlets for arranging sale etc	-£30,000	-£30,000	£0
Marriage value to be split between the two parties	£633,850	£370,000	£633,850
say	£630,000		
Appropriation Split for Carmis CC	£315,000	£74,000	£415,000
Appropriation Split for Scarlets	£315,000	£296,000	£415,000

[illegible]