

Valuation Report for Site at East Hallside Farm Cambuslang G72 7XE



Report for:

South Lanarkshire Council

Prepared by:

Senior Surveyor
RICS Registered Valuer
DVS

Tel:

@voa.gsi.gov.uk

Case Number: 1531085

Client Reference:

Date: 15 January 2015

Client Ref: CR/14/0142

VOA Ref: 1510186

Date: 15 January 2015

Contents

Executive Summary.....	1
1. Introduction.....	3
2. Valuation Parameters	3
3. Property Information	6
4. Valuation.....	11
5. General Information	16
6. Appendices.....	18
6.1 Plans	18
6.2 Photographs	19

Executive Summary

1.1 Description

Planning application **CR/14/0142** is for the development of 71 houses at the former East Hallside Farm site at Hallside Road in Cambuslang.

The site application has been submitted by Bellway Homes Ltd as developer and Robert Letham & Sons, site owners. The valuation is required to arrive at the commuted sum in lieu of the provision of affordable housing on site.

The site comprises part of the former East Hallside Farm, together with the former farmhouse and farm steading buildings which are vacant. The site is located on the eastern fringes of Cambuslang, within the Hallside area, between Cambuslang and Blantyre.

The site is reasonably close to the A724 Hamilton Road and enjoys reasonable access to the M74 motorway which is to the north east.

The site comprises a relatively rectangular shaped area of ground. It is bounded to the north by new housing at Village Road and to the west by Hallside Boulevard. Hallside Road is to the south and open farm land is to the east.

This site extends to 7.39 acres (2.99 ha) gross or thereby and 6.61 acres (2.676ha) on a net developable area (NDA) basis.

1.2 Location

The subjects are located on the eastern fringes of Cambuslang and to the north east of Blantyre in South Lanarkshire. The site has reasonably good access to the M74 motorway and offers good connections to the M8 corridor.

Cambuslang is a suburb of Glasgow around six miles to the south-east of the city centre. It is bounded to the north by the River Clyde and is close to Blantyre, Bothwell and Uddingston. The motorway is close by which provides good access via the M74 south to Carlisle and north to Stirling and which links to the M8 west to Glasgow Airport and city centre and M8 east to Edinburgh.

The site is within what was formerly East Hallside Farm. In recent years there has been a significant change to the nature of the surrounding area and large scale new housing development built to the south, west and recently to the north. Established residential areas comprising both private and local authority public sector housing are close by.

This is a good greenfield site, and we believe there is a demand for housing in the area. Our valuation has due regard to the relevant factors in terms of planning, locality and market evidence.

1.3 Tenure

Owner's heritable interest with vacant possession.

1.4 Valuation Date

The date of valuation is 15 January 2015.

1.5 Market Value

We are of the opinion that the market value of the owner's heritable interest, as at 15 January 2015, with vacant possession, is fairly stated at gross figures as follows:-

East Hallside Farm (CR/143/0142)

£370,000 (Three Hundred and Seventy Thousand Pounds) per net developable Acre.

£914,000 (Nine Hundred and Fourteen Thousand Pounds) per net developable Hectare.

£34,500 (Thirty Four Thousand and Five Hundred Pounds) per Plot.

This is based on an estimated net developable site area of 2.67 hectares and on the proposed 71 planning units at a density of circa 10.74 units per net developable acre.

1.6 Remarks

These figures are provided on a rate per net developable hectare/acre/plot basis only and are gross of any abnormal costs as we assume these will be assessed separately. The reported figures also ignore any issues regarding contributions to Section 75 or other planning contribution requirements which again we assume will be assessed when the Commuted Sum is being considered.

1. Introduction

We refer to your instructions dated 6 January 2015 and my terms of engagement dated 14 January 2015.

We have inspected the site at East Hallside Farm, Cambuslang and valued the property. We are pleased to report to you as follows.

2. Valuation Parameters

2.1 Identification of Client

South Lanarkshire Council.

2.2 Purpose of Valuation

Planning application **CR/14/0142** is for the development of 71 houses at the former East Hallside Farm, Hallside Road, Cambuslang by Bellway Homes Ltd in conjunction with the site owners Robert Letham & Sons. The valuation is required to arrive at the commuted sum in lieu of the provision of affordable housing on the site.

The valuation should be prepared in accordance with the RICS Valuation Standards (current Edition), otherwise referred to as the "Red Book".

It is proposed that the valuation methodology for Affordable housing will be undertaken on a Discount to Market Value with the discount to be agreed as a percentage of the market value for private housing.

This valuation will then apply as the "Commuted Sum" payment in lieu of the transfer of serviced land for affordable housing purposes.

The requirement is therefore to undertake a valuation of the market value of the site for private housing. The valuation will be expressed in terms of a price per net developable hectare and per net developable acre and also as a unit basis.

In preparing the valuation, we should have regard to the under noted factors:

- (i). The valuation will be undertaken on a current cost basis and there is no need to make assumptions about the future value of land transfers during the project's development period;
- (ii). We will assume that the site is fully serviced and is available for use for the building of private housing at the date of this instruction.

You have asked us to make comment as to any qualifications which should be applied to our valuation.

2.3 Subject of the Valuation

Site at former East Hallside Farm, Hallside Road, Cambuslang, G72 7XE.

2.4 Date of Valuation

The date of valuation is 15 January 2015.

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

2.5 Confirmation of Standards

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards 2014 UK Edition, commonly known as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

2.6 Agreed Departures from the RICS Professional Standards

There are no departures beyond those restrictions on the extent of investigations and survey, and the assumptions, stated below.

2.7 Basis of Value

The basis of value adopted is Market Value which is defined at VPS 4, para 1.2 as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

2.8 Special Assumptions

We are further asked to make comment as to any qualifications which should be applied to our valuation.

We have assumed the special assumption, in terms of the principle of valuation, that the land value should be provided on gross terms, not taking into account any abnormal costs, Section 75 Contributions or any other such costs as it is assumed these costs will be identified separately and agreed between the parties in assessing the commuted sum payable.

2.9 Nature and Source of Information Relied Upon

We have assumed that all information provided by, or on behalf of you, in connection with this instruction is correct without further verification – for example, details of

tenure, tenancies, planning consents, including information contained on the planning website under planning application CR/14/0142 etc.

Our advice is dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of our valuation may be affected.

2.10 Date of Inspection

The inspection was carried out on 7 January 2015 in wet and windy conditions.

2.11 Extent of Investigations, Survey Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer considered professionally adequate and possible in the particular circumstance was undertaken. This comprised undertaking an external inspection only of the property.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property was undertaken. The Valuer has had regard to the apparent state of repair and condition, and assumed that inspection of those parts not inspected would neither reveal defects nor cause material alteration to the valuation, unless aware of indication to the contrary. The building services have not been tested and it is assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection.
- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- Valuations include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations), but exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.
- It has been assumed that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated. However where an inspection was made and obvious signs of such materials

or techniques were observed, this will be drawn to your attention and captured in this report.

- No access audit has been undertaken to ascertain compliance with the Equality Act 2010 and it has been assumed that the premises are compliant unless stated otherwise in this report.
- No environmental assessment of the property (including its site) and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous substances. No search of contaminated land registers has been made.

However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report. Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

3. Property Information

3.1 Location

The subjects are located on the eastern fringes of Cambuslang and to the north east of Blantyre in South Lanarkshire. The site has reasonably good access to the M74 motorway and offers good connections to the M8 corridor.

Cambuslang is a suburb of Glasgow around six miles to the south-east of the city centre. It is bounded to the north by the River Clyde and is close to Blantyre, Bothwell and Uddingston. The motorway is close by which provides good access via the M74 south to Carlisle and north to Stirling and which links to the M8 west to Glasgow Airport and city centre and M8 east to Edinburgh.

The site is within what was formerly East Hallside Farm. In recent years there has been a significant change to the nature of the surrounding area and large scale new housing development built to the south, west and recently to the north. Established residential areas comprising both private and local authority public sector housing are close by.

Cambuslang has a variety of local services including supermarkets, traditional main street shops, restaurants, pubs and rail station services at the nearby Newton Station and also Cambuslang and Kirkhill.

The town is served by regular bus services to Glasgow and surrounding towns of Hamilton, Blantyre, Bothwell and Rutherglen.

There are primary and secondary education facilities available within the town and Hallside Primary school is close by off Newton Station Road.

This is a reasonable location and a Greenfield site bordering open farmland. We believe there is a demand for housing in the area. Our valuation has due regard to the relevant factors in terms of planning, locality and market evidence.

3.2 Description

The site is known to you, but for record purposes is outlined in red on the plan attached in the appendices.

The property to be valued comprises a site for new housing development occupying the former East Hallside Farm. The site is bounded to the north by the existing housing on Village Road, to the east by open fields, to the south by Hallside Road and residential property opposite and to the west by Hallside Boulevard.

It is proposed that the new development on site will be accessed from Hallside Road, slightly to the west of the existing farm entrance and east of Hallside Boulevard roundabout rather than taking vehicle access from the roundabout directly into the site.

The site combines both the existing stone built former two storey farmhouse together with largely single storey stone steading buildings, surrounding yard and garden area and agricultural land to the east of Hallside Boulevard.

The primary access along Hallside Road is narrow and twisty. It already serves an existing access to the south onto the Walnut Gate development and it is proposed to build the required access into the subject site slightly further east of Walnut Gate. We assume the location of the new access will not impact significantly on traffic flow. However any traffic management scheme for the proposed development may recommend road improvements to either widen the road or improve sight lines as the existing access into the farm from Hallside Road is on a particularly sharp corner.

The site is currently overgrown in places and the existing East Hallside Farm buildings are no longer in use having been vacant for a number of years. It is proposed to retain some of the existing mature trees and remove any decayed or diseased specimens in the proposed development plans. The site is relatively level, although there is a gently slope down from south to northern boundary. The site is roughly rectangular in shape and largely enclosed by mature hedging.

The site is being considered under Planning Application Ref CR/14/0142.

3.3 Tenure

Owner's heritable interest with vacant possession.

3.4 Title Restrictions

We assume there are no onerous title restrictions which affect the sites.

3.5 Site Area

This site extends to 7.39 acres (2.99 ha) or thereby (gross).

We have been informed the Net Developable Area (NDA) for the site is approximately 6.61 acres (2.67ha) or thereby according to the information provided and as outlined on the plans provided by Bellway Homes and in terms of the planning proposals.

3.6 Floor Area

Bellway Homes has provided information on the proposed house types as follows. The proposal is for residential development of 2 storey family homes comprising 3 bedroom semi detached and 3 and 4 bedroom detached units.

Application site (F)			
house type	Size (sqft)	Number of units	Total sqft
Kinloch	928	10	9280
Erinvale	1040	2	2080
Merion	1040	1	1040
Belfry	1050	4	4200
Rosedale	1084	15	16260
Oakmont	1203	12	14436
Victoria	1315	14	18410
Pinehurst	1382	13	17966
		71	83672

The floor areas are assumed to be given on the basis of GEA as defined in the RICS Code of Measuring Practice 6th Edition.

3.7 Accommodation

Bellway Homes Ltd has provided further information on the proposed accommodation for the various types as follows:

Application site 1				
house Style	size	Type	Number of units	Accommodation
Kinloch	928	Detached	10	4 bed
Erinvale	1040	Detached	2	4 bed
Merion	1040	Detached	1	4 bed
Belfry	1050	Detached	4	4 bed
Rosedale	1084	Detached	15	4 bed
Oakmont	1203	Detached	12	4 bed

Victoria	1315	Detached	14	4 bed
Pinehurst	1382	Detached	13	4 bed
			71	

3.8 Defects and Repair

The site is to be substantially altered in preparation for re-development; therefore we have not carried out any investigations into any aspect of repair or defects associated with the site. For the purposes of this report we have assumed a cleared site, with all existing buildings demolished.

3.9 Services

Although not checked with the relevant utilities it is to be assumed that the property is connected or close to the usual mains services of gas, water and electricity.

However for the purposes of this report we have been specifically asked to assume that the site is fully serviced for residential development.

3.10 Access and Highways

It is understood that the maintenance of roads and footpaths ex adverso the property is the responsibility of the local authority.

3.11 Energy Performance Certificate

No Energy Performance Certificate has been provided.

3.12 Planning

We understand that the Council is considering payment of a commuted sum in lieu of on-site provision for affordable housing. The commuted sum payment required would be calculated as prescribed in the SPG for Affordable Housing.

Planning application **CR/14/0142** is for the development of 71 dwellinghouses and associated works at the site at East Hallside Farm, by Bellway Homes Ltd and was registered 3 September 2014.

The site is identified as (reference 15) (Site reference CR139F) and is identified as a potential residential development framework site within the South Lanarkshire Local Plan adopted 23 March 2009.

The proposed Local Development Plan is expected to come into force in early 2015, but until then the Local Plan will be pertinent to all planning decisions.

3.13 Equality Act 2010

N/A

3.14 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. 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 your specific instructions to take no account of any matters that might reasonably be expected to have been disclosed by an Underground Mining Subsidence Report.

3.15 Environmental Factors Observed or Identified

For the purposes of this report we have disregarded any issues with regard to contamination affecting the site and that may arise in the future, on the understanding that costs relating to such issues will be assessed separately together with the Section 75 Contribution as well as pertinent abnormal costs.

Subject to the statement regarding the limitations on the extent of our investigation, survey restrictions and assumptions, as expressed at 2.1.1 above, we observed that the site has no obvious high voltage equipment / cables / pylons / telecommunications; pipelines; or invasive vegetation.

No obvious presence of contamination on site was noted, [e.g. absorption by property of poisons or pollutants requiring invasive treatment works or presence of Radon gas etc]; nor the presence on site of hazardous or deleterious materials. We do however note that concerns were raised in the public consultation exercise carried out by the developers regarding asbestos which may be present in the construction of the farm buildings. While this material remains intact and in good condition the asbestos fibres are likely to be safe but specialist advice should be sought in the event of alteration, maintenance or demolition.

There were no obvious abnormal ground conditions noted nor any evidence of flooding on the site.

4. Valuation

4.1 Valuation Methodology / Approach and Reasoning

We have approached the valuation on a market value basis, taking into account the proposed scheme for the site outlining the site's potential for private housing. This is in line with the guidance contained in the South Lanarkshire Local Plan as well as the planning application submitted on behalf of Bellway Homes Ltd.

As noted our valuation is based on information currently available and assumes a cleared, serviced site ready for development.

In formulating this valuation we have had regard to the sum that developers would be willing to pay on the assumption that the site was developed for private market housing. We have had regard to the site in the context of the Local Plan and to the possible development proposals and to prevailing market conditions for residential properties on sites in the locality.

The site is located within an established residential area on the fringe of Cambuslang, but close to good transport links and major towns. There are signs of increased activity in the development market. Barratt are also active in area as are Stewart Milne and Miller Homes. Considerable activity by these and other developers is also ongoing in the wider locality.

There does appear to be some renewed vigour in the housing development market sector in recent months, but this is patchy and rather dependent on location. "Hot spots" tend to be limited to traditionally popular areas particularly those within reasonable commuting distance of Glasgow and Edinburgh and with good transport links.

Land sales in and around South Lanarkshire generally up until 2008/2009 suggested rates of around £600,000 to £850,000 per acre were not unrealistic at that time. However, depending on which source one refers to, the general opinion is that some residential rates per acre have fallen by as much as 50% in some areas since the peak of the market.

The general economic recovery is still showing signs of fragility and therefore we believe a degree of cautiousness to the valuation approach is still pertinent. However as the market begins to show signs of recovery and with increasing developer activity, we believe all indications are that the residential development land market is improving albeit slowly.

Additionally, there is some transactional information available both locally and within the wider locality which is of relevance to Cambuslang and we have had particular regard to Barratt's development at Langlea Road, Cambuslang, Miller Homes new development at Newton Farm Road, Cambuslang and Taylor Wimpey new build development at Broomhouse. We have also considered evidence from further afield, including development of similar houses at Blantyre, Uddingston and Hamilton. In

particular we would refer to land sales and new build property being marketed as follows.

4.2 Comparable Evidence

- 1) Development Site at Coats Street, Coatbridge, ML5 3NX. Site extending to 0.58 acres sold 10/6/10 for residential development for £250,000 equating to £431,034/acre. At say density of 10.74/acre, would equate to 6 plots at £41,600/plot.
- 2) Bellshill Road, Uddingston. Stewart Milne site, HM/12/0269 Planning Application approved 2013 for erection of 157 dwellinghouses on site extending to 13.42 acres (Sunvic phase 2). Total sale price appears to be £4.55million 4/13 (assumed net of demolition) which at gross 13.42 = £339,046/acre or 157 plots at £28,980/plot. 11.78 plots /acre on Gross area.
- 3) A Development site at Kirktonholm Crescent East Kilbride, was sold on 1 February 2013 for £660,000. This extended to 1.0 acres and had detailed consent for 57 Sheltered Units and suitable for residential or care home use. Adjacent to Bett Homes and Hanover Housing Association sites.
- 4) Sale of land at Cardowan, Stepps, G33 to Bellway Homes October 2011 -£5,365,823, 11.23 acres at £477,811/acre. At say 10.74 units/acre would equate to £44,500/plot.
- 5) We also have confidential details of a recent deal at a former Hospital site in Coatbridge, encompassing a gross price of £550,000/acre. We are informed this site, whilst not the best of locations, is reasonable and perhaps although indicative evidence of where the market is settling for preferred residential sites at this time, can be considered as a particularly good outcome, given difficult market conditions at the time.
- 6) Land at Strathtay Avenue, East Kilbride, 8 May 2012, £3,575,000, sale to Bellway Homes. This was part of the disposals process at Hairmyres Hospital in East Kilbride which demonstrated even in the market in 2012, the high level of interest and offers made for site. This is not the best ground, being water logged and boggy in places extending to 9.66 acres gross-about 7.5 net developable. Numerous offers were received, gross and on conditional of site investigation and came from a wide cross section of developers including big companies. The successful offer was from Bellway, who offered £60.250/unit for 80 units all detached, subject to abnormal and planning gain costs.
- 7) 3.5 acres at Main Road, Condorrat, Cumbernauld sold to Barratt in April 2013 for £1,100,000, representing £314,286/acre gross. NDA 2.5 acres or @ £440,000/acre. 31 houses, mixed detached, terraced and semi detached, representing £35,484/unit. Site value represents approximately 16.5% of GDV, density 12/acre.

We have also considered the sale and asking prices for new build residential properties in the vicinity which can be indicative of the underlying residential value of the land and the likely sale prices of new build properties proposed for the site.

Taylor Wimpey is currently on site at Newton Village, Red Deer Road, Cambuslang, G72 6QF. The general asking prices are as follows:-

The "Munro"	4 bedroom detached villa	marketed at £265,000.
The "Maxwell 2"	4 bedroom detached villa	marketed at £249,995.
The "Geddes 2"	4 bedroom detached villa	marketed at £237,000.
The "Fairbairn"	4 bedroom detached villa	marketed at £220,000.
The "Douglas 2"	4 bedroom detached villa	marketed at £209,000.
The "Chalmers 2"	3 bedroom detached villa	marketed at £203,000
The "Baird"	3 bedroom semi detached villa	marketed at £159,995.
The "Balfour"	3 bedroom semi detached villa	marketed at £159,995.
The "Andrew 2"	2 bedroom semi detached villa	marketed at £139,995.

Stewart Milne is currently on site at the Sunnymead development at Bellshill Road, Uddingston. The general asking prices as follows:-

The "Castlewellan"	3 bedroom semi detached villa	marketed at £197,000.
The "Hampsfeld",	4 bedroom detached villa	marketed at £271,000
The "Dukeswood"	4 bedroom detached villa	marketed at £252,500.

Taylor Wimpey is offering a range of accommodation at their Broomhouse development, Calderpark Road, Uddingston as follows:

The Stewart 2	4 bed detached villa	marketed at £272,000.
The Maxwell 2,	4 bedroom detached villa	marketed at £259,995.
The Chalmers 2,	3 bedroom, semi detached villa	marketed at £190,000.

Barratt are active at Langlea Road, Cambuslang, G72 8HG. This is a development of 2 and 3 bedroom homes. A guide price is £156,495 for a 3 bedroom terraced property.

Other new builds in the area include the Yeats, at Keepers Gate, Calderwood Road, a 4 bed detached villa £269,995 and The Hughes at Keepers Gate, a 4 bed detached villa, £259,995.

Barratt were marketing a 4 bedroom terraced house at Woodfoot Road Hamilton at £166,995. David Wilson Homes were marketing a 3 bedroom end terrace at Hoy Gardens Motherwell at £155,995. Stewart Milne was marketing a 3 bedroom semi detached villa at Morningside Road, Wishaw at £156,995.

We are of the view that the selling prices at these locations and perhaps in particular at the nearby "Newton Village" development are a good indicator of the anticipated selling prices that may be achievable at East Hallside.

We would anticipate a range of selling prices between £157,000 for the smallest properties up to £262,000 for the largest, with an average overall of -£217,733 would be realistic for the proposed house types at East Hallside and whilst we are of the view that in terms of locality and demand, the subject site is probably inferior to the East Kilbride and Hamilton comparators, we believe recent transactional evidence suggests that an area with good transport links will be in reasonable demand. As a consequence, we have taken the view that the site could generate a Gross Development Value of c. £15.5million and taking a percentage of around 16% of this as representing the land value would give a site value of around £2.47million, which based on the NDA of 6.61 acres would suggest a rate in the region of £370,000 per net developable acre is reasonable in this location and based on the proposed density of 10.74unit/acre, £34,500/plot. This compares favourably with transactions

in broadly similar areas including Uddingston, Coatbridge and further afield, Cumbernauld.

4.3 Opinion of Value

We are of the opinion that the market value of the owner's heritable interest, as at the date of this report, 15 January 2015 with vacant possession, is fairly stated at gross figures as follows:-

Site East Hallside Farm, Cambuslang (CR/14/0142)

£370,000 (Three Hundred and Seventy Thousand Pounds) per net developable Acre.

£914,000 (Nine Hundred and Fourteen Thousand Pounds) per net developable Hectare.

£34,500 (Thirty Four Thousand and Five Hundred Pounds) per Plot.

This is based on an estimated net developable site area of 2.676 hectares and on the proposed 71 planning units at a density of circa 10.74 units per net developable acre.

We have assumed the special assumption, in terms of the principle of valuation, that the land value should be provided on gross terms, not taking into account any abnormal costs, Section 75 Contributions or any other such costs as it is assumed these costs will be identified separately and agreed between the parties in assessing the commuted sum payable.

4.4 Currency

All prices or values are stated in pounds sterling.

4.5 VAT

We understand that VAT does not apply to this transaction and my opinion of value reflects this. In the event that my understanding is found to be inaccurate, our valuation should be referred back for reconsideration.

4.6 Costs of Sale or Acquisition and Taxation

We have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation, whether actual or notional, that may arise on disposal.

4.7 Market Commentary

In formulating this valuation, we have taken into account the prevailing market conditions in the immediate locality and beyond for residential properties and sites.

The subjects are located in what can best be described as a reasonable Greenfield location, close to good transport links.

In the period up until mid-2008 in common with the rest of the country, the area had been experiencing significant upward movement in values. The ensuing worldwide economic situation then had an impact on the whole country and this huge market buoyancy ended, resulting in a sharp downturn in property values. Sales were noticeably fewer and demand for new properties in the wider locality decreased markedly.

Where new build units were on the market, developers were reducing prices and offering substantial incentives at almost all locations. It became clear that both buyers and lenders were being far more cautious than during the previous boom in the area, the number of sales greatly diminished and prices reduced across the board.

The market had generally been in decline with very much fewer market transactions in the area than previously until relatively recently. However, it is true to say that there is more movement in the market reported and sites in the wider locality are coming back on to the market. Furthermore there is now transactional evidence which suggests growing demand within the development market, particularly in traditionally sought after locations. Where developments are underway or recently completed across the district, we have had regard to the sales levels and rate of uptakes at these developments.

As noted our valuation is based on information currently available and provided on a per net developable acre/hectare basis but gross of any further adjustments for abnormal ground conditions, costs or contributions to Section 75 or other planning contributions which may have to be made.

There is still an element of uncertainty in the housing and development market and a general lack of depth of comparator evidence in the immediate area. We are also aware that the cost and availability of finance is still a determining factor in the viability of developments. Therefore we remain relatively cautious in our approach to land values and must emphasise that values provided for residential development at the current time, continue to carry a higher than normal degree of risk.

Finally, given the combination of uncertain market conditions and the type of property involved this valuation carries a high degree of subjectivity leading to a greater than normal range of uncertainty. As a result, the possible range of values for an asset type is wider than normal or at least wider than in recent years. We would therefore caution as to the possibility for a need to show some degree of flexibility in the use and interpretation of the reported value for the reasons stated above.

In summary, we refer to the RICS Valuation – Professional Standards current edition, Guidance Note 1 (Valuation Certainty).

5. General Information

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by [REDACTED], a RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no previous material involvement with the property.

5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

You may wish to consider whether this report contains Exempt Information within the terms of paragraph 9 of Schedule 7A to the Local Government (Scotland) Act 1973 (see section 2 and Part II of Schedule 1 to the Local Government (Access to Information Act 1985) and your Council can treat it accordingly.


5.4 Limits or Exclusions of Liability

The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed.

5.5 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 me to revise my opinion.

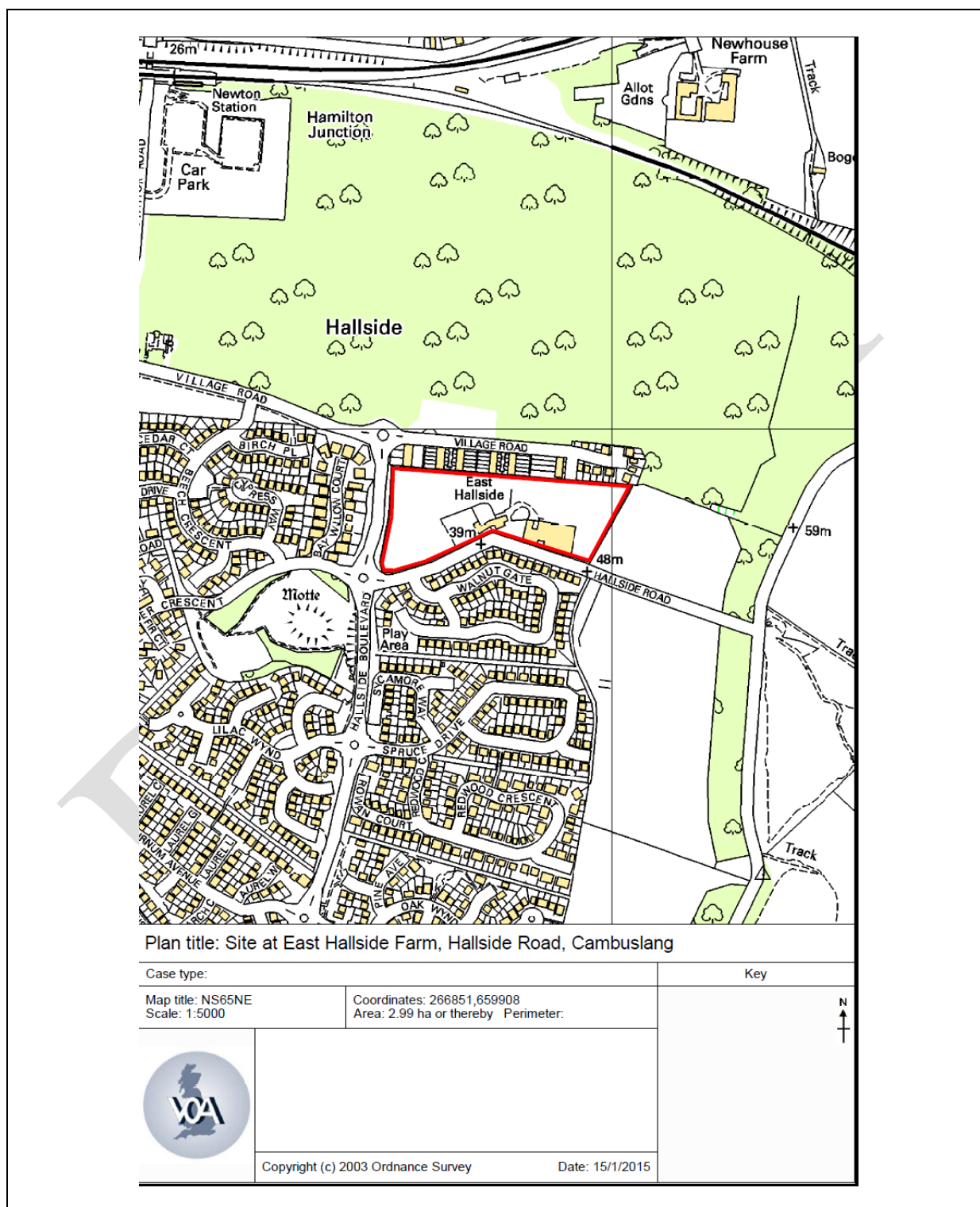
I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.


Senior Surveyor
RICS Registered Valuer
DVS

DRAFT

6. Appendices

6.1 Plans



6.2 Photographs



Looking north into farm steading from
Hallside Road



Existing farm steading and yard at East
Hallside Farm



Garden ground and mature trees at East
Hallside



Looking west to roundabout at Hallside
Boulevard.