

**Valuation Report for  
Huntingdon Leisure  
Centre, St Peters  
Road and The  
Medway Centre,  
Medway Road,  
Huntingdon.**



**Report for:  
Colin Luscombe and Phillip  
Peacock  
Huntingdon District Council  
and Huntingdon Town Council**

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**Case Number: 1605492**

**Date: 17 October 2016**

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## **Executive Summary**

### 1.1 Description

Leisure Centre and Community Centre

### 1.2 Location

St Peters Road and Medway Road, Huntingdon.

### 1.3 Tenure

Freehold subject to tenancy

### 1.4 Valuation Date

17 October 2016

### 1.5 Special Assumptions

The following agreed special assumptions have been applied:

- i) The valuation assumes that there will be no automatic entitlement to renew leases at the end of the current leases.
- ii) The valuation also assumes that any alternative use of the sites would be based upon residential development
- iii) In doing so the valuation will make a special assumption that there are no abnormal costs to decontamination, ground works, or and other construction issues.  
The valuations will not reflect any deduction for demolition costs likely to be incurred were the sites to be redeveloped.

### 1.6 Market Value

I am of the opinion that the **Market Value** of the freehold interest subject to tenancy of the Huntingdon Leisure Centre, and subject to the special assumptions above, is **£1,400,000 (One million, four hundred thousand pounds)**, as at 17 October 2016.

I am of the opinion that the **Market Value** of the freehold interest subject to tenancy of the Medway Community Centre, and subject to the special assumptions above, is **£665,000 (Six hundred and sixty five thousand pounds)**, as at 17 October 2016.

## 1. Introduction

I refer to your instructions dated 20 July 2016 (date received in the Peterborough VOA) and my terms of engagement dated 2 September 2016.

I have inspected and valued the property and I am pleased to report to you as follows.

## 2. Valuation Parameters

### 2.1 Identification of Client

Huntingdon District Council and Huntingdon Town Council

### 2.2 Purpose of Valuation

It is understood that you require a valuation of both properties above as Huntingdonshire District Council and Huntingdon Town Council are investigating a land / building swap of the leisure centre and community centre (The Medway Community Centre). The resulting valuations will be used to determine any balancing payment

I am instructed to act as a Single Independent Valuer and my advice will not be binding upon either party and its purpose is to inform your discussions. It is understood that no evidence or representations are to be made by either party, but the valuation can be reviewed, subject to agreement of further terms of engagement, if further information becomes available at a later stage

### 2.3 Subject of the Valuation

Huntingdon Leisure Centre and The Medway Community Centre.

### 2.4 Date of Valuation

The date of valuation is 17 October 2016.

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).

Measurements stated are in accordance with the 'RICS Property Measurement 1<sup>st</sup> Edition' which is effective from 1<sup>st</sup> January 2016.

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

The following agreed special assumptions have been applied:

- i) The valuation assumes that there will be no automatic entitlement to renew leases at the end of the current leases.
- ii) The valuation also assumes that any alternative use of the sites would be based upon residential development
- iii) In doing so the valuation will make a special assumption that there are no abnormal costs to decontamination, ground works, or and other construction issues.  
The valuations will not reflect any deduction for demolition costs likely to be incurred were the sites to be redeveloped.

2.9 Nature and Source of Information Relied Upon

I 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, etc.

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

You have supplied me with copies of the lease for The Medway Centre dated 3 February 2003, and leases dated 21 February 2002 and 16 May 2012 for the Huntingdon Leisure Centre.

In compiling my valuations I have had regard to land and estate agent internet sites and the Huntingdonshire Draft Local Plan.

2.10 Date of Inspection

The sites and their environs were inspected on 25 August 2016

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.
- 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 outgoings.
- 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.

- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.

### **3. Property Information**

#### **3.1 Situation**

Huntingdon leisure Centre is located off St Peters Road in an area that is chiefly a commercial area with other leisure facilities and a school in the vicinity.

The Medway Community Centre is situated off Medway Road opposite St Barnabas Parish Church within an area that comprises of a residential care home, a local school and residential dwellings.

#### **3.2 Description**

##### The Huntingdon Leisure Centre

The subject property comprises of a 1973 purpose built leisure centre of brick and aluminium clad roof and a 1992 addition of steel frame and block brick / brick walling, and a profile metal ridged roof. It is heated by 2 gas fired boilers and with the benefit of an air handling system and air conditioning to some areas. The Centre also benefits from double glazed windows and doors.

Car parking facilities are adjacent the Centre and there is a floodlit "Astro-Turf" all weather playing area on site.

##### The Medway Community Centre

The subject property comprises of a 1977 built brick, part profile metal clad community hall with a low ridge galvanised steel roof extended circa 1997. It benefits from gas fired central heating to most areas but with a defunct hot air system in part. The Centre also has aluminium sealed unit windows.

There are car parking facilities at both ends of the site with the northern area dissected by a right of way giving access to a Kingdom Hall of Jehovah's Witnesses.

3.3 Tenure

The Huntingdon Leisure Centre

The leisure centre is freehold subject to a lease dated 15 January 1992 on a 25 year term at a peppercorn rent

The Medway Community Centre

The Medway Community Centre is freehold subject to a lease dated 3 February 2003 for a term of 18 years at a peppercorn rent

3.4 Easements and Restrictions

There is a right of way on the Medway Community Centre site to allow access to the Kingdom Hall of Jehovah's Witnesses that sits north of the Centre.

3.5 Site Area

The Huntingdon Leisure Centre site extends to approximately 0.65 hectares

The Medway Community Centre site extends to approximately 0.67 hectares

3.6 Floor Area

The Huntingdon Leisure Centre extends to approximately 3030 square metres GIA measured in accordance with RICS Property Measurement 1<sup>st</sup> Edition'

The Medway Community Centre extends to approximately 471 square metres GIA measured in accordance with RICS Property Measurement 1<sup>st</sup> Edition'

3.7 Accommodation

The Huntingdon Leisure Centre

The accommodation consists of an entrance foyer, sports hall, gymnasium, changing rooms, various therapy/ treatment rooms, kitchens, offices, toilets, crèche, sauna rooms, dance studios, members lounge facility and children's play centre.

The Medway Community Centre

The accommodation consists of an entrance foyer, toilets, offices, kitchen, community rooms, stores and a main activities hall

3.8 Defects and Repair

The Huntingdon Leisure Centre

In a fair state of repair throughout consistent with its age and build type.



The Medway Community Centre

The building is looking dated, consistent with its age and build type with a defunct hot air heating system in part of the building.

3.9 Services

All mains services are connected to both sites

3.10 Access and Highways

St Peters Road and Medway Road are adopted highways

3.11 Energy Performance Certificate

Not seen

3.12 Planning

I have made informal formal enquiries of the Planning Authority as to the planning status and potential of the property. These have revealed that in the view of a Huntingdon District Council Development Management Team officer the site of the Medway Community Centre would be well placed for a housing development site. However, the main issues for this would be the current use of the Centre as a community facility and how an alternative site could be accommodated should development be considered.

The Leisure Centre site is subject to D2 planning use under the Use Class Order in England.

3.13 Equality Act 2010

Whilst I have had regard to the provisions of the Equality Act 2010 in making this report, I have not undertaken an access audit nor been provided with such a 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.

3.14 Mineral Stability

The properties are not in an underground mining area and a Mining Subsidence Report has not been obtained.

3.15 Environmental Factors Observed or Identified

The Leisure Centre is located in an area that is dedicated to leisure activities with a local cricket club pavilion and pitch opposite the Centre and with a local tennis club occupying a site to the south and a local bowls club to the west.

The Medway Centre is located in an area of mixed development two places of religious worship opposite and a local care home and school nearby.

Asbestos may be present in the construction of the Medway Community Centre building given that it was constructed in the 1970s. 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.

### 3.16 Rateable Value

Huntingdon Leisure Centre £161,000 Rateable Value

The Medway Centre £9,200 Rateable Value

## 4. **Valuation**

### 4.1 Valuation Methodology / Approach and Reasoning

I have valued both properties the basis of Market Value and used the comparison and investment method of valuation.

In the respect of the Leisure Centre I analysed rental evidence of sports and leisure facilities similar to the subject one including those currently available to rent. The evidence has shown that there is a wide range of rental values across the region, so I have taken a reasoned approach adjusting for the quality and location of this leisure centre also allowing for the fact that the subject property is a local authority run, rather than a commercially run, leisure centre. An estimated rental value of £50 per square meter has been multiplied by a yield of 11% to reflect the risks associated with a property of this nature and location to arrive at my opinion of capital (Market) value. The valuation reflects the continuance of use rather that of a residential development value as the aforementioned exceeds the latter in this instance.

In respect of the Medway Community Centre I analysed rental evidence for community facilities across the region. This evidence showed a wide range of rental values reflecting various types of building construction and age. I have therefore taken a reasoned approach in arriving at my rental value of £11,775 again reflecting factors of age, quality and location. This estimated rental value has then been capitalised up using a 9% yield to arrive at the term value. In respect of the reversionary figure I have considered the best alternative, future use of the site and after research I applied a residential development land value of £2,000,000 per hectare on an overall site basis.

However, due to the uncertainty of the future use of the site and the risks involved I have attached a factor of 65% hope value to this figure and deferred the resulting value over four years at a yield of 7% in arriving at the reversionary value.

## 4.2 Comparable Evidence

### The Leisure Centre

247 Fitness, Cromwell Road, Wisbech rent agreed 19 January 2015 at £60,000 – first floor LC over Tesco store.

153 Huntingdon Street, Nottingham rent agreed 6 June 2015 at £64,800 – Ground floor 5-storey block.

Unit 139 Bedford Heights, Bedford rent agreed 4 February 2016 at £286,770.

17 Baytree Centre, Brentwood rent agreed 15 March 2016 at £128,635 – first floor of shopping centre.

Princess Royal Sports Arena, Great Fen Road, Boston rent agreed 23 March 2016 (with Council) at £155,815.

Health Club, Shenley Road, Borehamwood rent agreed 24 March 2016 at £78,000.

42 Far Gosford Street, Coventry rent agreed 4 April 2016 at £36,000.

### Leisure centres available to rent

12/12A Purdeys Way, Rochford, Essex 2029.5m<sup>2</sup> asking rent £130,000

Sports Direct Fitness, Northern Road, Nottingham 1422m<sup>2</sup> asking rent £135,000

### The Medway Centre

### Community Centres

77 Corringham Road, Stanford-Le-Hope, Essex rent £12,500 per annum agreed on 12/02/16

Woodlands, College Road, Abbots Langley, Watford rent £35,000 per annum agreed on 21/04/16

YMCA Angel Street, Brentwood rent £30,000 per annum agreed 09/06/16.

### Land values

Land 0.43 Hectares at Hollow Road, Forty Foot Ramsey sold 21 July 2016 for £395,000 - planning permission for 9 dwellings

Land 0.16 Hectares St Mary's Street, Huntingdon sold 3 July 2016 for £432,000 planning permission for 14 flats

Land 3.42 Hectares south of Woburn Drive, Thorney, Peterborough sold 12 February 2016 for £3,171,600 planning permission for 80 dwellings plus.

4.3 Opinion of Value

I am of the opinion that the **Market Value** of the freehold interest subject to tenancy of the Huntingdon Leisure Centre, and subject to the special assumptions above, is **£1,400,000 (One million, four hundred thousand pounds)**, as at 17 October 2016.

I am of the opinion that the **Market Value** of the freehold interest subject to tenancy of the Medway Community Centre, and subject to the special assumptions above, is **£665,000 (Six hundred and sixty five thousand pounds)**, as at 17 October 2016.

4.4 Currency

All prices or values are stated in pounds sterling.

4.5 VAT

I 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, my valuation should be referred back for reconsideration.

4.6 Costs of Sale or Acquisition and Taxation

I 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

Following the referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of significant uncertainty in relation to many factors that historically have acted as drivers of the property investment and letting markets. Such circumstances are unprecedented but are expected to result in similar uncertainty in much of the property market. Since the referendum there's been little or no empirical evidence of market activity upon which to base our opinion(s) of value, resulting in a reduced level of certainty that can be attached to our valuation.

In view of this, we would advise you to have less confidence than usual in the probability of our opinion of value exactly coinciding with the price achieved were there to be a sale. We would recommend that the valuation is kept under regular review, and that specific marketing advice is obtained should you wish to effect a disposal.

## **5. General Information**

### **5.1 Status of Valuer**

It is confirmed that the valuation has been carried out by Paul Gedge, 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.

I have acted as a Single Independent Valuer and my advice will not be binding upon either party and its purpose is to inform your discussions. It is understood that no evidence or representations are to be made by either party, but the valuation can be reviewed, subject to agreement of further terms of engagement, if further information becomes available at a later stage.

### **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 12A to the Local Government Act 1972 (section 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.

### **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.

## 6. Recommendations

### 6.1 Summary of key issues

The Leisure Centre is a good quality, modern facility sitting within an area of properties of a similar nature and works well with the "One Leisure" run swimming pool complex to the rear.

The Medway Centre is rather dated and subject to partial modernisation over the past few years. Thus, the maintenance costs of this building may outweigh its commercial value. Therefore, the site may be more suited to providing residential development and the Community Centre re-located to a neighbouring site.

Both my valuations at paragraph 4 above reflect these factors

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.



Paul Gedge DipSurv MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS East

## 7. Appendices

### 7.1 Photographs



Leisure Centre entrance



The Medway Community Centre



The Medway Community Centre

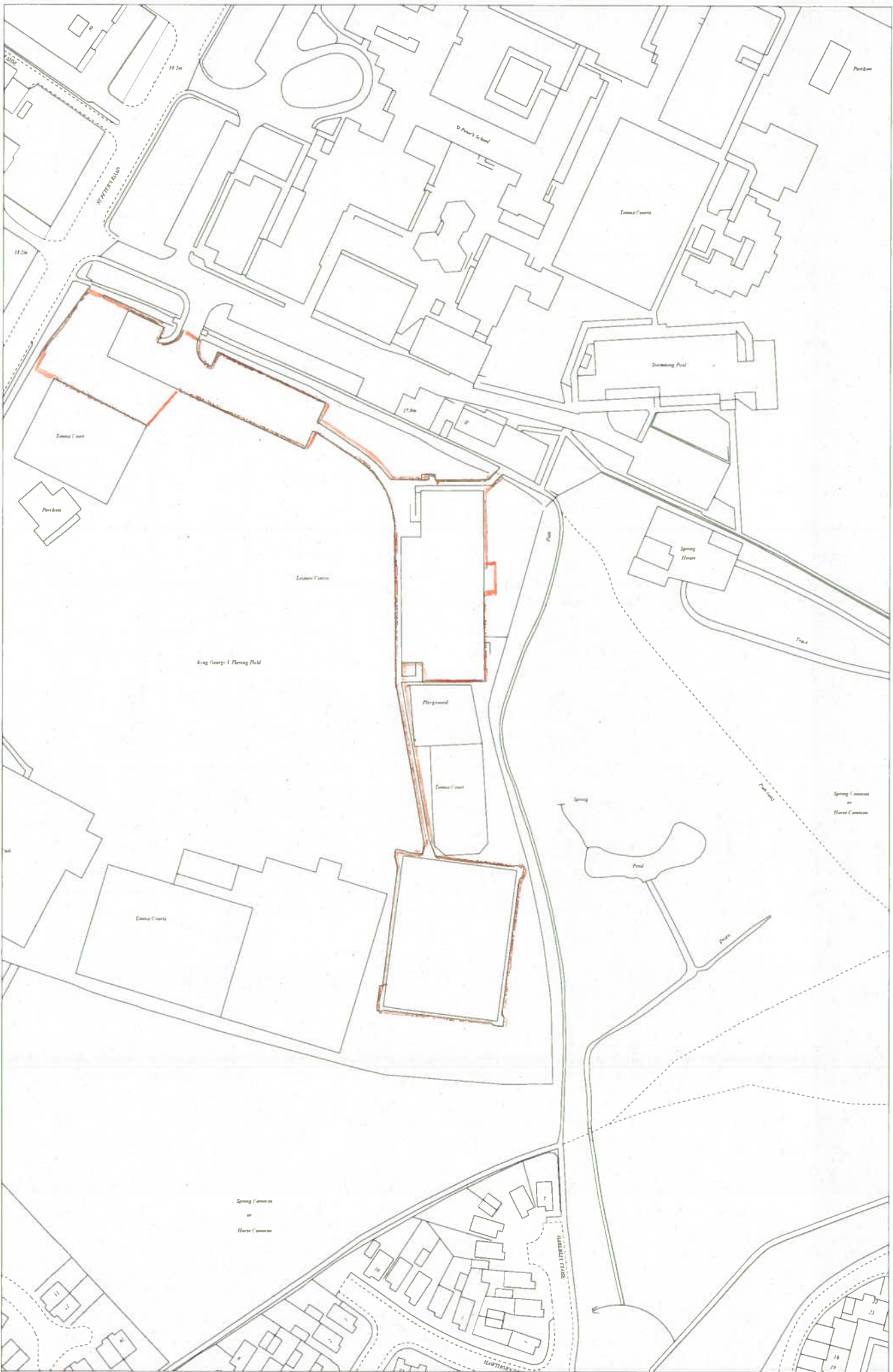


Car park – northern side

7.2 Plans

Attached





Plan title: HUNTINGDON LEISURE CENTRE, ST PETERS ROAD, HUNTINGDON

Copyright (c) 2003 Ordnance Survey

Date: 17/10/2016

DM sequence no:

Scale: 1:1630



Plan title: THE MEDWAY COMMUNITY CENTRE, MEDWAY ROAD, HUNTINGDON

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Date: 17/10/2016

DM sequence no:

Scale: 1:1250