



COPPING JOYCE
Chartered Surveyors

Valuation Report



**AXIS HOUSE (CAR PARK)
242 BATH ROAD
HEATHROW
MIDDLESEX
UB3 5AY**

Prepared for

Axis House Heathrow Limited

Date:	16 th February 2016
Our Ref:	IE168
Your Ref:	Axis House Heathrow Ltd



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1	LETTER OF INSTRUCTION
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2	LOCATION MAP



1.0 INTRODUCTION

1.1 *Property*

This Desktop Valuation Report is for the property known as:-

**Car Park
Axis House
242 Bath Road
Heathrow
Middlesex UB3 5AY**

1.2 *Instructions*

We have been instructed by Mr Kamal Pankhania of Axis House Heathrow Ltd and concerns land situated adjacent to Axis House and formerly occupied as car parking for the said building.

It is our understanding that it is the intention of the above company to transfer ownership of this parcel of land to a different company and in this regard we have been requested to provide our opinion of the Market Value of the land.

At **Appendix 1** of this report we enclose a copy of the Client's instruction letter dated 2nd October 2015 and our acknowledgment letter dated 15th October 2015 confirming terms of engagement.

This report has been carried out in accordance with the RICS Valuation – Professional Standards January 2014 – including the International Valuation Standards', produced by The Royal Institution of Chartered Surveyors and known as "The Red Book" and should be read in conjunction with the terms of business and general principles. The measurement of the premises has been undertaken in accordance with the Code of Measuring Practice issued by The Royal Institution of Chartered Surveyors.

1.3 *Valuation Date*

The date of valuation is **16th February 2016**.

1.4 *Valuation Basis*

We will specifically provide our opinion of the following:-

- a) Our instructions are to provide the Market Value of the subject property.

1.5 Valuation Definitions

Our valuation has been carried out in accordance with the RICS Valuation – Professional Standards, Global and UK edition (January 2014) including the International Valuation Standards produced by The Royal Institution of Chartered Surveyors.

VPS4 paragraph 1.2 of that manual defines Market Value 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.

2.0 INSPECTION

2.1 Circumstances of Inspection

This is a Desktop Valuation Report, therefore no recent inspection took place. The property was inspected in March 2014 for an earlier valuation and subsequently in November 2015.

2.2 Restrictions to Inspection

We have inspected the building externally from ground level and have not been able to obtain clear views of the roof. Our inspection has been limited to the visible internal and external parts. Our inspection was also limited by the presence of furniture, fixtures and floor coverings.

2.3 Physical Constraints

The Disability Discrimination Act 1995 & 2005 and the Equality Act 2010 provide duties on property owners and managing agents to ensure that reasonable measures are undertaken to ensure that there are no physical/accessibility constraints to a property, including fire escape routes, that would be discriminatory. Our own inspection did not identify any such constraints that would require reasonable alterations to be carried out. We therefore assume that the property complies with the above legislation.

3.0 LOCATION

3.1 Maps/Plans

At **Appendix 2** of this report we enclose a location plan, together with an extract from the Ordnance Survey, showing the approximate boundaries of the property upon which we have based our valuation.



3.2 Situation

The subject property is located in a prominent position on Bath Road (A4) close to its junction with Sipson Road (A408) immediately opposite London Heathrow Airport, and within the London Borough of Hillingdon.

In close proximity are the Marriott Hotel, Heathrow, The Thistle Hotel, London, Park Inn and several other hotels. The property is situated within a mile of Heathrow Express Railway Station and the Piccadilly Line also provides the service direct from Heathrow into Central London. Heathrow Airport is a five minute car journey from the subject property. The rear of the subject premises are a series of residential developments.

3.3 Description

The subject property comprises a car park laid to tarmac and designated with individual car parking spaces. It occupies a site of approximately 0.188 hectares and there are 43 car parking spaces delineated within it.

3.4 Services

We understand that mains services are connected to the subject property. However, we have not undertaken any tests to ascertain the condition and capacity of these services and we have assumed for the purposes of this valuation that all plant and services are in good order.

5.0 ENVIRONMENTAL CONSIDERATIONS

5.1 Contamination

We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether or not there is any potential for contamination to the property. In the absence of an environmental audit or other environmental investigation or soil survey, we will assume that no contamination, or the possibility of contamination, exists.

On the basis of a visual inspection and the information available to us in the public domain, we are of the opinion that purchasers are likely to conclude that there are no significant environmental risks associated with this property. As such, we have assumed there would be no adverse effect on value of the property or on its marketability. However, should it be established that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, then this might adversely impact on our opinions of value and we would need to review the valuation advice contained within this report.

5.2 Deleterious Materials

We have not seen a copy of an Asbestos Survey Report. However, this property is not of an age or type where it could contain deleterious materials such as asbestos. We assume that if any works are proposed to be undertaken within the property an appropriate survey, carried out by a suitably qualified person, will be undertaken to reveal the nature and location of such materials which can be disposed of safely in accordance with current guidelines.

5.3 Flooding

We have carried out a search on the Environment Agency website, which indicates that the property ~~is~~ **is not** within an area prone to flooding. We have reflected any risk of flooding within our opinion of value.

5.4 Invasive Species

We did not identify any invasive plant species within or around accessible areas of the subject property.

6.0 TOWN PLANNING MATTERS

The said parcel of land currently forms part of a larger plot; the remainder of which is occupied by an office building currently undergoing conversion, under permitted development rights, into a series of flats. The subject premises was formerly occupied as a car parking for the office building. It is assumed that the permitted use of the subject property is as a car park.

Where we have been unable to make verbal enquires, online enquiries of the Local Authority have been undertaken to confirm town planning matters, which may affect our valuation. We believe that the information that we have obtained is correct, but we cannot accept liability for either incorrect or for material omissions in the information gleaned, including statutory notices or contraventions of statutory requirements.

6.1 Highways

We assume that the street the property is situated on is an adopted road, as there are no indications to suggest otherwise. Your solicitor's searches should be able to confirm this assumption and recommend we are notified if the road is not adopted.

6.2 Conservation

Our enquiries reveal that none of the subject properties are Listed Buildings, nor situated within a Conservation Area.

7.0 LOCAL TAXATION

7.1 *Business Rates*

The property has yet to be separately assessed by the Valuation Office for rating purposes.

8.0 TENURE

We have made an assumption that a new title will be created and the subject premises will be sold as a Freehold interest or long Leasehold interest, free of onerous covenants, easements etc.

We have not been provided with a Report on Title and Copping Joyce therefore assume that the property is not subject to any defect in title, any adverse covenant, or subject to any unusual or other onerous restrictions, rights or outgoings, and that good title can be shown.

For the purposes of this valuation report, it is assumed that there are no outstanding disputes with the neighbouring occupiers. Moreover, it is also assumed that there are no wayleaves or easements granted in favour of the subject property, or, indeed, any neighbouring property or properties.

We recommend your legal advisors confirm the above assumptions and that the above information is accurate before being relied upon.

9.0 TENANCIES

9.1 *Commercial*

We understand that the premises are currently occupied as car parking purposes subject to a short term contract. For the purposes of this exercise we have assumed vacant possession.

10.0 COMPARABLE EVIDENCE

10.1 Lettings:

Pion Air Centre, Heathrow Airport

This open car park is used by BAA staff for parking. It is on the eastern perimeter road, in a good location, next to the main long-stay T1-T3 car park. It has 750 spaces on a site of 3.7 acres. The car park is let to BAA for £1.17 million per annum. It is let on a 10-year lease, with no break option, at a rent that equates to £1,500 per space. This rent was agreed at a rent review dated September 2010.

Unit 4, Great West Road, Hounslow, Middlesex TW14 8NL

This site was let to Thrifty Car Hire on a new 10-year lease from April 2011. The tenant is paying £45,000 per annum. The site comprises of 0.35 of an acre, with an old building comprising 1,000 sq ft on the site. The tenant can fit, perhaps, 40 vehicles on the site, which would equate to a rate of £1,125 per space. Both the landlord and the tenant have an option to break the lease after the first three years, with compensation payable to the other party.

Unit 4, Great South West Road, Heathrow TW14

A site approximately 0.35 acres in size, with a rundown office unit approximately 1,427 sq ft was let on a 10 year lease from 7 April 2011 for £41,000 per annum which equates to £2.69 psf on an overall basis. There is a redevelopment break at the 5th.

Unit 4, Great South West Road, Heathrow TW14

A site approximately 0.35 acres in size, with a rundown office unit approximately 1,427 sq ft was let on a 10 year lease from 7 April 2011 for £41,000 per annum which equates to £2.69 psf on an overall basis. There is a redevelopment break at the 5th.

10.2 Additional Comment:

In addition to the above, we have liaised with local experts in the field of car parking – Messrs McWhiterlocke and Mr Duncan Locke in particular. Mr Locke advises that car parks of this size are less attractive to the market than larger units and will not be of interest to the main suppliers of car parking to the airport. However, there may be a demand from car rental companies looking for additional space to park their vehicles on a storage basis. The general tone suggests that the rate per car parking space ranges from between £750 to £1,500 per space but the latter are very much in the line where car parking spaces can be used by the main car parking operators working with the airport. The subject property will be much harder to let.

11.0 METHODOLOGY

The comparable evidence above points to two methods of valuing the subject property. The first is on a rate per sq ft for the car park and the second is on a rate per car parking space. On the basis of a rate per space the evidence points to a figure of between £900 and £1,500 per space. On a rate per sq ft the evidence points to a figure in the region of £2.69 per sq ft. Adopting a rate of say £1,000 per car parking space this produces a rental of £43,000 per annum while adopting the overall rate per sq ft £2.69 produces a figure of £54,600 per annum. Averaging the two suggests a figure of £48,800 per annum.

We believe that an appropriate yield for this type of property is 8% suggesting an overall value of £610,000 less costs.

12.0 VALUATION

We submit the following opinions of value as at **16th February 2016:-**

- (a) The **Market Value** of the Freehold/Long Leasehold interest of the subject property is **£575,000 (Five Hundred and Seventy Five Thousand Pounds).**

13.0 VALUATION STIPULATIONS

Valuation Basis

Where Copping Joyce are instructed to provide valuations on the basis of limited marketing/ disposal periods, we draw your attention to the guidance provided by the RICS Valuation – Professional Standards, Global and UK edition (January 2014) that an opinion under such circumstances is only valid at the valuation date and may not be relied upon in the event of a future default when market conditions and sale circumstances may be different.

Disposal Costs Taxation and Other Liabilities

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. Furthermore, no allowance is made to reflect any liability to repay any government or other grants or taxation allowance that may arise on disposal.

Unless otherwise stated, no allowance is made for the possible impact of potential legislation which is under consideration and valuations are prepared and expressed exclusive of VAT payments.

Documentation

We do not normally read documents of title and rarely have access to full lease documentation. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers.

Tenants

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

Measurements

All measurements are carried out in accordance with the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of rental or capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Estimated Rental Value

Our opinion of rental value is formed purely for the purposes of assisting in the formation of an opinion of capital value. It does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal. This statement does not apply to our opinion of Market Value.

Town Planning and Other Statutory Regulations:

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes.

It is assumed that the property has been constructed in full compliance with valid Town Planning and Building Regulation approval and it is not subject to any outstanding statutory notice as to its construction, use or occupation. Unless our enquiries have revealed the contrary, it is further assumed that the existing use of the subject premises is duly authorised or established and that no adverse planning conditions apply.

If reliance is required we recommend that verification be obtained from lawyers that:-

- I. the position is correctly stated in our report;
- II. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;
- III. that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including fire regulations, access and use by disabled persons and control and remedial measures for asbestos in the workplace.

Structural Surveys

We have not been instructed to carry out a structural survey and have not inspected woodwork or other parts of the property that are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. We do not test the services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

This valuation does not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.



Deleterious Materials

We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

Site Conditions

We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

Insurance

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms, for example in regard to Composite Panels, Terrorism, Flood and Rising Water Table.

NHBC (Applicable to New Build projects or buildings erected in the last ten years)

The 2013 edition of the NHBC Standards came into effect for every NHBC registered home where works were started on or after 1 January 2013. This is an essential part of risk management to ensure buildings are constructed to the correct standards. This keeps potential problems to a minimum, benefitting both homeowners and builders. We assume that the subject property benefits from the required certification and we recommend your legal advisers confirm this is correct prior to capital advance. This could potentially impact on any resale and the valuation provided herein. We have assumed that the property has the necessary warranties and we reserve the right to review our valuation if this is not the case.

Outstanding Debts

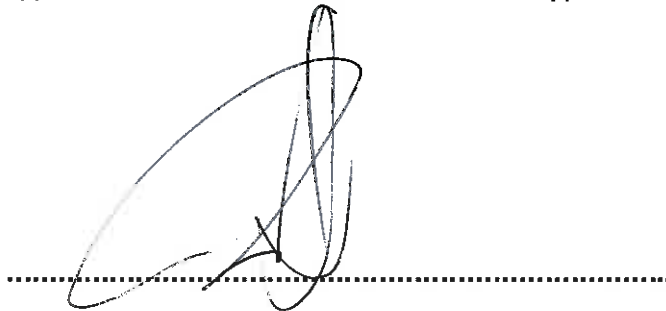
In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

14.0 GENERALLY

Richard G Alford BSc MRICS inspected the property. The valuation has been undertaken by Richard G Alford BSc MRICS. We confirm that both the above-named and Copping Joyce, the firm, are independent valuers as defined by PS 2.4 of the, *'The Red Book'*. Richard G Alford BSc MRICS has the relevant experience in valuing the type of property concerned in the particular location and is an RICS Registered Valuer.

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties.

Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.



Richard G Alford BSc MRICS (RICS Registered Valuer)
For and on behalf of
COPPING JOYCE SURVEYORS LIMITED
16th February 2016
Ref: RGA / IE168



Appendices

- 1 **Letter of Instruction**
 Letter of Acknowledgement

- 2 **Location Map**

Our ref: **WM/10/15**

Your ref:

**Mr. Richard Alford
Copping Joyce
27 Phipp Street
London EC2A 4NP**

2nd October 15

By Fax & Post

Dear Richard,

**RE: SALE OF AXIS HOUSE CAR PARK 242 BATH ROAD HEATHROW
MIDDLESEX UB3 5AY**

The above land is currently owned by our company Axis House Heathrow Limited. It is intended that the property will be sold to associated company which is connected.

It is possible that the value at which it is sold will be questioned by the Inland Revenue. I would appreciate your assessment of the market value. Please note that your assistance may be required in any negotiations that may arise from this transaction. The discussions/negotiations are likely to be with the district valuer.

Can you also confirm your reasonable fees to carry out this valuation ASAP as your fee quote from your letter dated 6th February is too high for this.

If you require any help or assistance please do not hesitate to contact me.

Yours sincerely,

K Pankhania





Mr K Pankhania
Axis House Heathrow Limited
7 Churchill Court
58 Station Road
Harrow
Middlesex
HA2 7SA

6th February 2015
Our Ref: RGA/ct/L7686
E-mail: ralford@coppingjoyce.co.uk
Direct Tel: 020 7749 1050

Dear Kamal

RE: AXIS HOUSE, 242 BATH ROAD, HARLINGTON, MIDDLESEX UB3 5AY

I refer to our recent telephone conversation concerning the above property.

As you may recall the valuation report was actually completed by my colleague, Josh Martin. Nonetheless, I understand that it is your proposal to transfer the ownership of the whole or part of the car park to the side of the subject premises to a separate offshore company. I understand that you require an indication from us as to the market value of the car park for the purposes of this exercise.

I am happy to carry out this exercise though I am sure you will understand that there will be a fee involved. However, prior to carrying out this exercise, you should understand that there may be an effect on the market value of the building itself through the removal of part of the asset. In other words, my colleague will have valued the subject premises on the basis that the individual flats would have had car parking spaces. Should you be removing some or all of these then this may have an effect on the market value of the remaining section of the building. This may, or may not be an advantage to you but I feel that it is appropriate that you should be made aware of.

If you wish us to carry out the exercise or provide an indication of the market value for the car parking spaces we would be happy to do so. Our fees for carrying out this exercise will amount to **£1,500 plus VAT.**

I look forward to receiving your reply.

Yours sincerely

**Richard G Alford BSc MRICS
COPPING JOYCE SURVEYORS LIMITED**



Kamal Pankhania Esq
Axis House Heathrow Limited
7 Churchill Court
58 Station Road
Harrow
Middlesex
HA2 7SA

15th October 2015
Our Ref: RGA/ct/IE168
E-mail: ralford@coppingjoyce.co.uk
Direct Tel: 020 7749 1050

Dear Mr Pankhania

**RE: SALE OF AXIS HOUSE CAR PARK, 242 BATH ROAD, HEATHROW,
MIDDLESEX UB3 5AY**

Thank you for your instructions dated 2nd October 2015 to carry out a valuation of the above property.

We confirm we have professional cover in place and that we have the necessary expertise to carry out this valuation.

We submit below our understanding of the specifics of the instruction:-

Client:	Axis House Heathrow Limited
Property:	We have not been provided with a Title Plan confirming boundaries.
Interest:	Freehold
Purpose of Valuation:	To establish the Market Value of the property
Type of Property:	Commercial
Valuer:	Richard G Alford BSc MRICS – RICS Registered Valuer
Basis of Value:	(a) Market Value (b) Market Rent (c) Reinstatement Cost
Date of Valuation:	(Date stated in report)

Cont/ ...



- 2 -

IE168: Kamal Pankhania Esq
Re: Axis House Car Park, 242 Bath Road, Middlesex

15th October 2015

Assumptions: Otherwise than standard assumptions noted within our General Terms of Business, assumptions will be agreed prior to finalising the report.

Fee: The fee is agreed at **£1,500 plus VAT**

Other: This letter should be read in conjunction with our General Terms of Business, attached to this letter.

Finally, we are required to advise you that this valuation may be subject to monitoring under The Royal Institution of Chartered Surveyors Conduct and Disciplinary Regulations and that our Complaints Procedure is available on request.

I trust the above meets with your approval, but should you have any queries please do not hesitate to contact me.

Yours sincerely

Richard G Alford BSc MRICS
COPPING JOYCE SURVEYORS LIMITED

Enc

