



## **REPORT TO THE MEETING OF CABINET – 18 SEPTEMBER 2024**

### **PORTFOLIO: SPECIAL PROJECTS & ASSETS – CLLR T GIBSON**

#### **REPORT FROM ASSISTANT DIRECTOR, ESTATES**

#### **SUBJECT: LEASE OF A SECTION OF THE COUNCIL OFFICES AT KILN ROAD, THUNDERSLEY TO CAVS**

##### **1 PURPOSE OF REPORT**

- 1.1 To seek Cabinet approval to lease part of the Council offices at Kiln Road, Thundersley to Castle Point Association of Voluntary Services 'CAVS.'
- 1.2 This decision falls to the Cabinet under the Council's Financial Regulations because the total rent and charges is above the financial threshold of £250,000 for the term of the lease.

##### **2 LINKS TO COUNCIL'S PRIORITIES AND OBJECTIVES**

- 2.1 The report supports the Council's priorities and objectives of Economy & Growth and People.

##### **3 RECOMMENDATION**

###### **3.1 It is proposed that Cabinet RESOLVES**

- (1) To approve the Heads of Terms (Appendix 1) and grant a lease for part of the Council Offices to CAVS.
- (2) To delegate authority to the Assistant Director, Estates, in consultation with the Section 151 Officer and the Portfolio Holder for Special Projects & Assets, to negotiate and agree the final detailed lease terms.
- (3) To approve the early termination of the existing lease held by CAVS in respect of part of the White House.

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- (4) To approve an appropriation from the General Fund General Reserve to the Estates & Asset Management policy line for £10,000 to fund enabling works required to compartmentalise the space to be let from the rest of the building.

#### **4 INTRODUCTION**

- 4.1 The COVID-19 pandemic accelerated and changed several trends including changes to the way organisations work. As a result of the progress of digital technology the Council operates a hybrid working environment, enabling its staff to work remotely as well as at the Council offices in Kiln Road.
- 4.2 One outcome of this change in new ways of working is that the Council now has underutilised space within its main office in Kiln Road. This presents an opportunity for the Council to consider how to best use the building to deliver its corporate objectives in line with the Council's Acquisition and Disposal Policy (2024).
- 4.3 The Council's Acquisition and Disposal Policy (2024) sets out that property may be recommended as surplus if, following consideration of the Asset Review Board, retention of the property would not meet the Council's corporate aims and objectives; and the property is otherwise not necessary to meet the Council's operational or strategic requirements.
- 4.4 Following a review Officers have concluded that areas of office space are not currently used efficiently as workspace. Officers have therefore concluded that several areas of the offices do not meet the Council's operational or strategic requirements and are deemed surplus.
- 4.5 CAVS has been in consultation with the Council exploring available space with the opportunity to relocate from the currently occupied space within the first floor of the White House building into the Council offices. The current space occupied does have limitations being at first floor, without a lift; for some service users this is difficult to access. The existing accommodation was originally built as temporary office accommodation with the thermal performance of the building not meeting current standards for a new building. It is therefore expensive to cool and heat without significant investment in the building.
- 4.6 The recommendation would require CAVS to surrender their current lease at White House building. The vacated space will continue to be insured and maintained unoccupied.

#### **5 BACKGROUND**

- 5.1 CAVS is an established community organisation formed in 1994 supporting the needs for those in the local population requiring individual guidance providing volunteer recruitment, training and support.
- 5.2 CAVS provides information, advice and guidance to voluntary and community organisations, to develop solutions for local issues. Organisations are

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matched with potential volunteers, aimed at improving their communities. They work with existing voluntary sector providers to extend their schemes as well as local statutory bodies to identify and develop new services addressing specific local need, including working with vulnerable young people, children and families, social isolation, health and well-being.

- 5.3 CAVS currently holds a 6 year lease that runs until 10 July 2028 occupying part of the first floor in The White House to the rear of the Kiln Road offices. The space currently occupied is not as modern as the Council offices, which provide an improved location to operate the service for the staff and user groups.
- 5.4 CAVS has been in discussion with the Council exploring available space to relocate their staff into the Council office building. The opportunity to move into the Council building supports the community organisation being able to function within a more modern space. This opportunity also supports the vision for the Council offices to be promoted as a community hub with other public sector, community and voluntary organisations.
- 5.5 The space proposed for CAVS to occupy would equate to renting out 118m<sup>2</sup> or 2.6% of the unoccupied floor space located to the rear corner of the office building. The space is currently two office rooms with a further smaller separate office accessed from within the smaller room.
- 5.6 Residents will continue to have access to CAVS services requiring an informal discussion about personal circumstances and guidance and support can be provided. This provides an opportunity for the Council to support CAVS as a community partner by improving access to services within a more accessible Council office building.
- 5.7 The Asset Review Board met on 22 July 2024 and subsequently on 2 September 2024 and duly considered the proposed unoccupied office area and lease use by CAVS, concluding that the proposal should be recommended to Cabinet for approval.

## **6 COUNCIL'S INVESTMENT**

- 6.1 The office accommodation can be let in its current condition and will be subject to the usual planned maintenance and improvements by the Council towards which a recharge contribution will be made from year to year in addition to the rent payable.
- 6.2 In order to segregate the proposed office accommodation from the wider open plan adjoining office space, the Council will need to invest in some new stud partition walling to future proof the adaptation of the office accommodation that will remain available on the ground floor. An indicative budget estimate of £10,000 will enable other user groups, to be determined in the future, to be able to operate independently.

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**7 MARKET VALUATION**

- 7.1 An independent valuation was prepared on 16 July 2024 in accordance with the Valuations Standards issued by the District Valuer for the parcel to be leased – see Appendix 3. Officers expect the proposed rent of £10,150 to align with the draft Voluntary and Community Sector Buildings and Land Leasing policy at item 8 of the agenda.

**8 ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Do nothing and CAVS continues to operate from the White House where they are under a current lease agreement.
- 8.2 The recommended option of leasing the available more modern office space would support CAVS in meeting its needs to residents and user groups where guidance and support can be provided by staff in more modern office accommodation.

**9 RISK IMPLICATIONS**

- 9.1 All leases carry a risk of tenant forfeiture and/or potential damage to the fabric of the asset. This will be mitigated by site inspections to ensure the tenant meets their requirements under the terms of the lease.
- 9.2 The Council will retain the capital risk of the building.
- 9.3 The Council will continue to insure the building to mitigate the risk of the tenant not insuring and re-charge the tenant their proportion of the insurance liability.
- 9.4 Suitable contents insurance and public liability insurance will be the responsibility of the tenant.
- 9.5 The Council will need to ensure that the liabilities it retains under the lease are properly managed through periodic inspections of the leased asset.
- 9.6 ID Badges to be worn by CAVS staff and their visitors. Security passes will be programmed to provide restricted to the agreed CAVS space.

**10 CRIME AND DISORDER IMPLICATIONS**

- 10.1 None directly related to this report.

**11 ENVIRONMENTAL IMPLICATIONS**

- 11.1 Officers will continue to explore future capital works to promote reduced energy consumption as part of considerations for the whole building.

**12 FINANCIAL IMPLICATIONS**

- 12.1 CAVS currently leases part of the White House for £11,535 per annum plus a very small recharge for insurance costs. CAVS is responsible for the repair

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and maintenance of the internal area leased, with the Council responsible for the externals and main fabric of the building. CAVS is also responsible for all operating costs such as utilities.

- 12.2 The recommendations in this report would see the existing lease terminated and replaced with a new lease at the lower value of £10,150 per annum, a reduction of £1,385 per annum. However, under the proposed lease the Council will be able to charge a service charge to CAVS, in essence sharing some of the costs the Council currently incurs.
- 12.3 The service charge has been estimated at £6,200 per annum, with business rates of approximately £6,000 in addition. Whilst the Council's costs will marginally increase as a result of increased occupancy of the building, the remainder of the service charge is formed from costs to be shared with CAVS for the upkeep of the building.
- 12.4 An application will be made to the Valuation Office Agency (VOA) to have the space to be let to CAVS separately assessed for business rates. Due to reliefs being applied, CAVS does not currently pay any business rates at the White House. If the VOA agrees to separately assess, this will mean CAVS continues not paying business rates and the Council would save approximately £6,000 on its own business rate bill for the Kiln Road offices. Should the VOA not agree to a separate assessment, CAVS will be recharged the £6,000.
- 12.5 With CAVS vacating the White House, the Council will be liable for the operational costs of the area being vacated, including rates and utilities. The rates cost is known to be £13,000 whilst utilities are expected to be minimal. Should a new tenant be found, the Council will no longer be liable for these costs.
- 12.6 Therefore, to summarise the financial impact on the Council, the net reduction in rent is £1,385 and net increase in rates is £7,000, a total of £8,385. It is reasonable to assume that a portion of the service charge covers costs which would otherwise have been the sole responsibility of the Council but, even if it is assumed that 50% of the service charge (£3,100) does this, the overall cost to the Council caused by the move of CAVS would be £5,285. It is expected that identification of minor savings and efficiencies can take place to cover this cost.
- 12.7 To enable the proposed space to be suitable enabling works are required. These have been estimated at £10,000. Therefore, it is requested that Cabinet approves an appropriation from the General Reserve to the Estate and Asset Management policy line to cover these costs.

### **13 LEGAL IMPLICATIONS**

- 13.1 Once the heads of terms are finalised, the lease will be drafted and completed in line with the usual property procedures and processes.

**14 HUMAN RESOURCES IMPLICATIONS**

14.1 None directly related to this report.

**15 EQUALITY AND DIVERSITY IMPLICATIONS**

15.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.



Darren McLoughlin

Assistant Director, Estates

**Background Papers:-**

None.

For further information please contact Darren McLoughlin on:-

Phone: 01268 882377

Email: [dmcloughlin@castlepoint.gov.uk](mailto:dmcloughlin@castlepoint.gov.uk)

## HEADS OF TERMS FOR A LEASE

### SUBJECT TO CONTRACT & COUNCILS CABINET APPROVAL

<b>PREMISES</b>	Part of a three-storey brick building (1950's) with later 1990's two storey extension situated to the ground floor measuring approximately 117.82sq m (1,268.21sq ft) and shown edged red on the accompanying snapshot of floor plan.
<b>LANDLORD</b>	Castle Point Borough Council Kiln Road Thundersley Benfleet Essex SS7 1TF
<b>TENANT</b>	Castle Point Association of Voluntary Services (CAVS) The White House Kiln Road Benfleet SS7 1BU  <u>For the attn of:</u> Janis Gibson  Mobile: Direct Line: 01268 214000 Email: <a href="mailto:Janis.Gibson@cavsorg.uk">Janis.Gibson@cavsorg.uk</a>
<b>LEASE TERM</b>	A new lease for a term of 15 years with a rolling break option after 1 year exercisable by the landlord/tenant and either party acting in good faith provided it serves at least 12 clear months prior written notice. In the event of exercising the break option, the Landlord will use reasonable endeavors to agree alternative accommodation within the Kiln Road premises.
<b>RENT</b>	<b>£10,150per annum</b> will be payable exclusive of VAT, business rates, service charge, insurance, and all other outgoings. The rent will be payable in advance on the traditional English quarter days.
<b>RENT REVIEW</b>	The rent will be reviewed every fifth anniversary of the term, based on market rent.

<b>SECURITY OF TENURE</b>	The lease to be outside the provisions of ss 24-28 of the Landlord and Tenant Act 1954, as amended.
<b>ASSIGNMENT &amp; SUBLETTING</b>	Tenant may assign or sublet their interest in the whole only, subject to Landlord's consent (not to be unreasonably withheld).
<b>SERVICE CHARGE</b>	A service charge is levied to cover a proportion of the maintenance and management of the building, to include the reception and common parts. The current estimated service charge is <b>£11,500per annum</b> . Payment of the service charge will start from commencement of the lease.
<b>REPAIRING OBLIGATION</b>	The lease will be on a full repairing and insuring basis.
<b>PERMITTED USE</b>	The property to be used for office purposes only under planning use class E.
<b>ALTERATIONS / ADDITIONS</b>	Alterations and additions are not permitted save for the works specified in the proposal submitted to the Landlord. Such works are not to commence prior to the Landlord having received and approved in writing the plans and specifications in respect of the proposed works.
<b>REINSTATEMENT</b>	The Tenant shall remove the Works at the end of the Lease and reinstate the Premises to its condition prior to the granting of this Lease, making good any damage caused to the Premises in the reinstatement thereof, unless the Landlord notifies the Tenant in writing that reinstatement of the Premises is not required.
<b>WORKS</b>	Such additions and alterations as necessary to create office space as expressly cited in the proposal only.
<b>OTHER PROVISIONS</b>	As shall be deemed fit by the Landlord's solicitor.
<b>LEGAL COSTS</b>	The tenant to contribute towards the council's reasonable legal costs.
<b>TENANT'S SOLICITOR</b>	FAO: (tbc) Email:



Main:

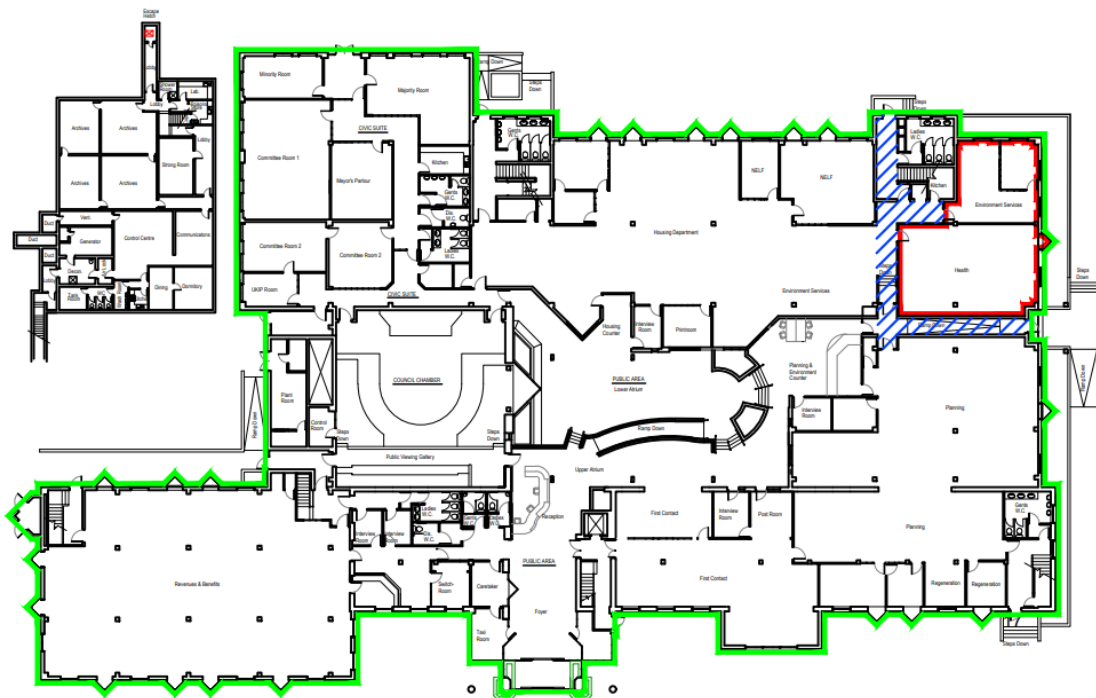
Castle Point Borough Council  
Legal and Democratic Services  
Kiln Road  
Thundersley  
Benfleet  
Essex SS7 1TF

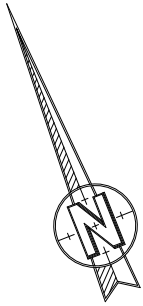
Attn: Amaka Ozono (Mrs)

Email: [aozono@castlepoint.gov.uk](mailto:aozono@castlepoint.gov.uk)

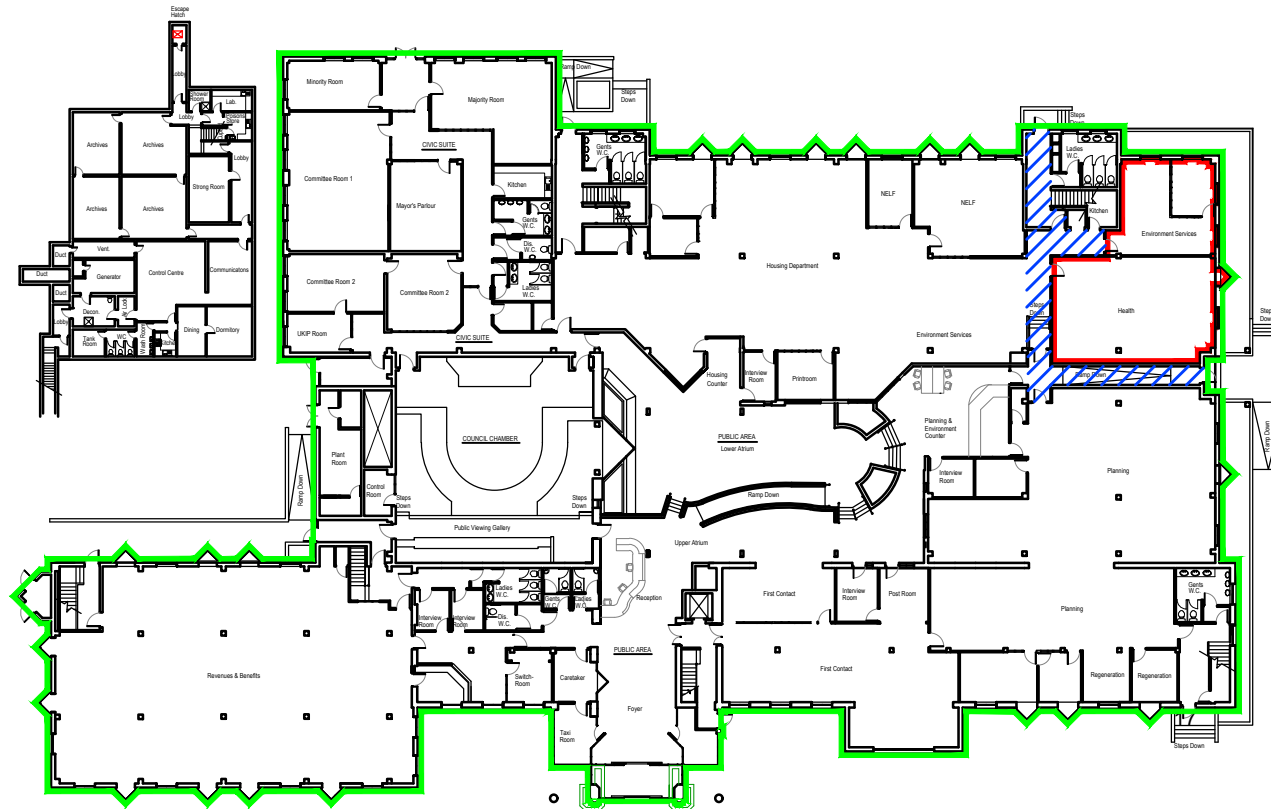
Main: 01268 882434

Ground Floor

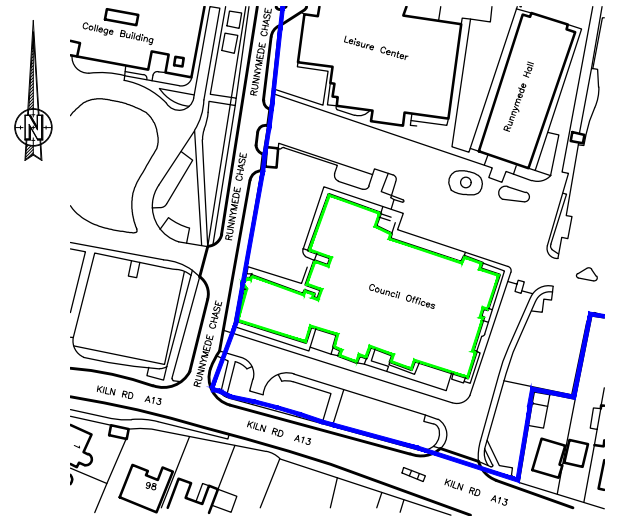




# Ground Floor



Floor Plan 1:500



Location Plan 1:2500  
 0m 10m 20m 30m 40m 50m  
 K.A.D. Licensed O.S. No. 100047482

Rev	Revision	By	Date

**KNIGHT Consulting** First Floor Unit 7  
The Quarterdeck  
Port Solent  
PO6 4TP  
T: 01489 660194

ARCHITECTURE - SURVEYING - PLANNING admin@knight-consulting.co.uk www.knight-consulting.co.uk

Client: **Castle Point (CAVS)**

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Project: **Ground Floor,  
Castle Point Borough Council, Kiln  
Road, Benfleet  
SS7 1TF**

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Drawing: **Lease Plan**

Scale: <b>1:500@A4</b>	Date: <b>Aug 2024</b>			
Project no. <b>KC</b>	Sequential <b>01</b>	Bldg/Floor <b>A</b>	Detail <b>EX</b>	Rev <b>.</b>



Valuation Office  
Agency

**DVS** Property Specialists  
for the Public Sector

Valuation Report for  
Castle Point Borough  
Council (CPBC)  
Kiln Road  
Thundersley  
Benfleet  
SS7 1TF



Report for:  
Felix Mukadaya  
Castle Point Borough Council

Prepared by:  
Tom Dimmock MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS

Tel: 07977 144770

[thomas.dimmock@voa.gov.uk](mailto:thomas.dimmock@voa.gov.uk)

Case Number: 1848054

Date: 16<sup>th</sup> August 2024

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## 1. Introduction

I refer to your instructions dated 21 May 2024 and my Terms of Engagement dated 7<sup>th</sup> August 2024.

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

Castle Point Borough Council.

### 2.2 Purpose of Valuation

A market rent valuation of vacant office accommodation to assist with potentially leasing the space to a tenant.

### 2.3 Subject of the Valuation

Office Space within Castle Point Borough Council (CPBC), Kiln Road, Thundersley, Benfleet, Essex, SS7 1TF.

Three separate office areas will be available to let and this report provides a valuation for each area.

### 2.4 Date of Valuation

The date of valuation is 16 August 2024.

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 professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book.

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

Measurements will be in accordance with the IPMS All Buildings measurement standard published on 15 January 2023.

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 Rent which is defined at VPS 4, para 5 as:

*'The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'*

It should be noted that the Market Rent basis of value would normally be used to indicate the amount for which a vacant property may be let, or for which a let property may re-let when the existing lease terminates. Market Rent is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the actual definitions and assumptions have to be used in the assessment.

2.8 Special Assumptions

The following agreed special assumptions have been applied:

The largest office area (office 2) will have a slight change in layout configuration and include additional staff kitchen and toilet facilities. The valuation assumes the works have been completed and the staff WC's are approximately 25m<sup>2</sup> which will be excluded from the measured area under IPMS/NIA.

2.9 Nature and Source of Information Relied Upon

In addition to relying upon VOA held records and information, 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.

2.10 Date of Inspection

30 July 2024

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 were undertaken. This comprised undertaking an internal inspection 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.
- With regard to Reinforced Autoclaved Aerated Concrete (RAAC), you have not advised us that you are aware of the presence of RAAC and we have assumed that none is present.
- 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**

The building is located off Kiln Road (A13) on the outskirts of Benfleet, Essex. The immediate area predominantly comprises of residential houses and the subject property adjoins a community hall, leisure centre and college.

The property has good transport links, it is well served by local roads being situated off the A13 leading to Leigh-on-Sea to the east and the M25 to the west. It is approximately 2.2 miles northeast from Benfleet National Rail Station with regular services to London Fenchurch Street and Shoeburyness.

#### **3.2 Description**

A 1960's detached purpose-built council office with later 1990's extension split over the basement to first floors. A reception area leads through to a large central atrium where individual office areas can be accessed.

The three subject office areas are all situated on the ground floor and have raised floors, suspended ceilings with recessed fluorescent lighting, carpeted flooring and are part air conditioned.

There is a large shared car park provided on site.

#### **3.3 Tenure**

Freehold with vacant possession.

#### **3.4 Lease Provisions**

The market rent assumes standard commercial terms reflecting the following;

- An approximate 10-year term
- 3-5 yearly rent reviews to market rent
- Tenant Full Repair & Insuring (FRI)
- Permitted use as an office



3.5 Easements and Restrictions

None that I have been made aware of.

3.6 Site Area

Not known.

3.7 Floor Area

The offices have measured in accordance with IPMS 3.2 as follows;

Office 1 (CAVS*)	121.35m <sup>2</sup>
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██████████	██████████
██████████	██████████

For information this translates to the following Net Internal Areas;

Office 1 (CAVS*)	119.76m <sup>2</sup>
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██████████	██████████
██████████	██████████

\*Castle Point Association of Voluntary Services

3.8 Accommodation

Office 1: Two individual open plan offices with a single cellular meeting room/office.

██  
██

3.9 Defects and Repair

The building appeared commensurate for its age and I have not been advised of any significant defects. The carpet tiles and painted walls are worn in places and some water damage to ceiling tiles in office 2 were noted during the inspection.

3.10 Services

It is assumed that all services are available to the building.

3.11 Access and Highways

The building is accessed from Kiln Road which is maintained by the local authority.

3.12 Energy Performance Certificate

The Gov.uk website is listing an EPC of 91D which expired January 2022.

3.13 Planning

I have made no enquiries of the Planning Authority and no information has been received on the property's planning status and potential.

3.14 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.

3.15 Mineral Stability

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

3.16 Environmental Factors Observed or Identified

Asbestos may be present in the construction of the building. 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.

3.17 Rateable Value

The current RV is listed at £400,000.

3.18 Minimum Energy Efficiency Standards (MEES)

In respect of non-exempt domestic and non-domestic property rental properties in England and Wales, I advise as follows.

We have not been provided with an up-to-date EPC rating for this property and, as such, our valuation is based on the assumption that the subject property will meet the minimum requirements laid down by the Energy Act 2011 and its Regulations and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion regarding whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.

## 4. Valuation

### 4.1 Valuation Methodology/Approach and Reasoning

I have used the comparable method of valuation having regard to comparable office rents sales giving appropriate weight to each piece of evidence and using my general knowledge of the local market to establish the market rent.

### 4.2 Comparable Evidence

Property Address – anonymised for reasons of data release compliance	Brief description	NIA (m <sup>2</sup> )	Rent per annum	Date of valuation	Remarks
1. London Road, Benfleet	1970's two storey purpose-built office.	290.4	£42,500	01/06/2023	£146/m <sup>2</sup> New 5-year lease. Tenant is responsible for repairs with a shared insuring.
2. Church Road, Benfleet	1970's two storey purpose-built office.	103.2	£15,000	01/07/2023	£145/m <sup>2</sup> 5-year lease extension Tenant responsible for internal repairs and insuring with shared external repairs.
3. Claydons Lane, Rayleigh	2000's four storey purpose-built office.	177.8	£30,000	01/09/2022	£169/m <sup>2</sup> The landlord is responsible for external repairs and insurance.
4. Christopher Martin Road, Basildon	2000's multi-storey purpose-built office.	419.8	£67,826	01/08/2023	£162/m <sup>2</sup> New 10-year lease. Tenant responsible for repairs and insurance.

Comparable office rents within the region range between £13-£17 per square foot. The key comparables being comp's 1 and 2, purpose-built offices constructed at a similar date to the subject property and analysing at £146/m<sup>2</sup> and £145/m<sup>2</sup> respectively. The analysed rents have been adjusted upwards to reflect the subjects later extensions and improved facilities to determine a rate at £155/m<sup>2</sup>.

Further consideration has also been given to comps 3 and 4 for office accommodation within modern purpose-built buildings achieving rents at £169/m<sup>2</sup> and £162/m<sup>2</sup> respectively. The rents have been adjusted downwards to reflect the improved internal condition and lease terms to support a rent at £155/m<sup>2</sup>.

The analysed rents reflect a fully air-conditioned office, therefore a further downward adjustment of 5% has been applied to office 1 to reflect the lack of air conditioning.

The valuations are broken down as follows;

Office 1 (Castle Point Association of Voluntary Services)

119.76 m <sup>2</sup> NIA × £155/m <sup>2</sup>		£18,563
Adj. no air conditioning	-5%	-£928
		£17,635
	<b>Say</b>	<b><u>£17,500</u></b>

[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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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

The office market has remained relatively flat in Essex over the past year with the recent migration of office working practices towards flexible hybrid working, many firms are reassessing their office requirements to try and reduce overheads.

Co-star reports office vacancy rates have increased to 2.6% in Castle Point borough, an increase of 2.1% over the year. This has resulted in only a marginal rental increase in the borough with a reported 1.6% increase in 12 months.

### **5. General Information**

#### 5.1 Status of Valuer

It is confirmed that the valuation has been carried out by Thomas Dimmock, 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.

Jon Ness, a Valuer assisted with the inspection, research and valuation. The report has been reviewed by Principal Surveyor - Charlotte Cambridge MRICS.

#### 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 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

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our specific written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

#### 5.5 Validity

This report remains valid for 6 (six) 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 Negotiations. Any recommended negotiating points

I would recommend negotiations could open at £160/m<sup>2</sup>, but considering the current challenges in the market of rising costs and increasing vacancy rates the lowest acceptable rate would be and including £150/m<sup>2</sup>.

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.

Identity and status: The valuer responsible for the valuation is Thomas Dimmock.

#### **Report reviewed by:**

Checked per email of 16<sup>th</sup> August 2024.

Charlotte Cambridge MRICS  
Principal Surveyor  
RICS Registered Valuer  
DVS  
Date: 16/08/2024



Thomas Dimmock MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS