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Your ref:
Our ref:

Epping Forest District Council
Civic Office
323 High Street
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CM16 4BZ

For the attention of Steven Tarry, Metaplan Ltd

7 April 2022

Dear Steven

FORMER PRINCESS OF WALES PUB, 41 WESTALL ROAD, LOUGHTON IG10 2HX

Further to provision of our original valuation report in relation to the above development dated 30 September 2021, you have advised us that you have undertaken further negotiations with the existing leaseholder.

You have advised that an unconditional (on planning) purchase price of £687,500 has been agreed with the leaseholder in order to buy in their legal interest in the site.

Although we confirmed to you in our original report that the leaseholder's interest had no inherent value, the Market Value of the unencumbered freehold interest with a residential planning permission (even assuming 100% affordable rent or 100% shared ownership) was substantial.

Therefore there is 'marriage value' in combining the two legal interests as the Council could not otherwise redevelop the site until the existing lease expiry. There is no hard and fast rule with regard to an appropriate split of marriage value in these situations; it very much comes down to negotiations between the parties. We are of the opinion that as at today's date, the proposed purchase price of £687,500 can be considered reasonable.

As per our email correspondence, we would recommend that the Council undertakes some further pre-contract investigations with regard to site capacity, flood risk, geotechnical, service capacity etc bearing in mind the proposed redevelopment. This letter should be read in conjunction with our original report.

Kind regards.

Yours sincerely.



Barry Rea MRICS Registered Valuer
Partner

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