



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Valuation Report for
Jock Stein Facility
Hillhouse Road
Hamilton
ML3 9TU



Report for:



South Lanarkshire Council

Prepared by:



Senior Surveyor
RICS Registered Valuer
DVS

Tel:



Case Number: 1778349

Date: 8 October 2021

The VOA is an Executive Agency of HM Revenue and Customs



OFFICIAL

VOA Ref:
Date:

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VOA Ref:
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1. Introduction

I refer to your instructions dated 3 September 2021 and my revised Terms of Engagement dated 6 October 2021.

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

South Lanarkshire Council (SLC).

2.2 Purpose of Valuation

DVS has been instructed by SLC to provide an opinion of the Market Value of the subjects and a Market Value of the subjects restricted to its existing use. It is understood that the valuations are in connection with the potential community asset transfer of the property to Blantyre Soccer Academy.

2.3 Subject of the Valuation

The property to be valued is the Jock Stein Facility, Hillhouse Road, Hamilton ML3 9TU.

SLC provided DVS with a disposal plan which outlines the extent of the subjects. It is understood that the subjects are to be valued on the assumption that vacant possession is available, and they are free of any burdens or obligations.

2.4 Date of Valuation

The date of valuation is 8 October 2021.

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 gives assurance also of compliance with the International Valuations Standards (IVS).

Measurements stated are in accordance with the RICS Professional Statement '**RICS Property Measurement' (2nd Edition)** and, where relevant, the **RICS Code of Measuring Practice (6th Edition)**.

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 4 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:

- The Market Value is provided adopting the Special Assumption that the subjects are restricted to their existing/proposed use of a sports facility including football pitches.
- DVS have assumed the Special Assumption, in terms of the principal valuation, that the land value should be provided on gross terms, not taking into account any abnormal cost, Section 75 contributions or any such costs as it is assumed these costs will be identified separately and agreed between the parties in assessing the sum payable

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.

- SLC provided a floor plan of the Jock Stein leisure centre and a plan outlining the extent of the facility hatched green via email on 16 September 2021
- SLC provided the five year forecasted maintenance costs of both the Jock Stein leisure centre and the pavilion building via email on the 16 September 2021

2.10 Date of Inspection

The subjects were inspected on the 22 September 2021 by [REDACTED] in mostly overcast weather.

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 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.

- 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 within Hillhouse in Hamilton. This is an established and predominantly local authority residential area situated to the west of the town.

The facility is situated off Hillhouse Road, opposite the Udston and Glenlee Community Woodland. The subjects have St Ninians Primary School to the south east and Udston Primary School and First Step Community Nursery to the west.

There is local authority housing directly to the north of the subjects comprising four four-storey blocks of flatted accommodation on Fleming Way. To the south west there is terraced housing on Yetholm Terrace and to the south east lies a small development of detached and terraced houses built by Keepmoat Homes in 2017.

Hamilton is a large town within South Lanarkshire with an estimated population of around 50,000. The town is the principal administrative centre for the South Lanarkshire area and sits around 12 miles south east of Glasgow and 35 miles south west of Edinburgh. The A723 links Hamilton directly with the M74 motorway at Junction 6 and recent improvement to the Raith Interchange at Junction 5 (M74) has improved connectivity to the wider Lanarkshire area, across the Central Belt and the main cities including Glasgow and Edinburgh.

The valuation has due regard to the relevant factors in terms of planning, general locality and market evidence.

3.2 Description

The subjects comprise a single storey local authority operated sports facility encompassing a leisure centre, former changing facilities building, a synthetic floodlit football pitch and three grass football pitches.

The leisure centre was constructed approximately in 1980 and subsequently refurbished and extended in 2007 and consists of a block/metal clad steel frame building with a Kalwall tiled roof over the large hall area with a low-pitched profiled sheet roof over the main building. The centre has a gas fired central heating system and air conditioning. It was found to be in a fair condition commensurate with its age and type.

The pavilion was constructed in 1980 and is of brick construction with a pitched roof with felt covering. It has dated storage heaters and hot water is provided by a hot water cylinder. I understand that currently the pavilion is not in use due to its poor and dated condition.

The synthetic football pitch is surrounded by a metal fence with three access points. I understand it was installed approximately 14 years ago in late 2007. The pitch can be illuminated by 6 mounted floodlights each with four bulbs. There are damaged areas of the pitch that have suffered from vandalism that have been repaired with areas of synthetic turf taken from the side lines. I understand the typical lifespan of a synthetic pitch can be between 8 to 10 years.

The three grass football pitches are relatively flat and unbounded, therefore, open to the public. Each pitch had two sets of dated goalposts.

There is a children's play area between the Leisure Centre and the Pavilion building which comprises a range of apparatus for young children and a small area of outdoor fitness equipment.

Pedestrian access to the subjects is provided via paths from Fleming Way, Yetholm Terrace and Parfery Way.

There is a tarmac car park at the front of the building which is accessed off Hillhouse Road.

3.3 Tenure

Owner's heritable interest with vacant possession.

3.4 Title Restrictions

I have not been made aware of any title restrictions affecting the property.

3.5 Site Area

The site extends to 5.09 Hectares (12.57 Acres), or thereby (Gross).

We have estimated the Net Developable Area (NDA) for the site at approximately 4.33 Hectares (10.69 Acres).

The open public space/grass pitches extend to 3.40 Hectares (8.4 Acres), or thereby.

The artificial pitch extends to 0.79 Hectares / 1.96 Acres, or thereby.

3.6 Floor Area

Jock Stein Leisure Centre

1,236.91 Sq. M. (13,314 Sq. Ft.) or thereby.

Jock Stein Pavilion

167.59 Sq. M. (1,804 Sq. Ft.) or thereby.

Both floor areas are reported on a Gross Internal Basis (GIA) in accordance with the RICS Code of Measuring Practice (6th Edition).

As previously highlighted to you in prior correspondence, information supplied to DVS regarding the maintenance of both buildings stated that the floor area of the leisure centre and pavilion is 968 Sq. M. and 147 Sq. M. respectively.

Should the floor areas prove to be incorrect, I reserve the right to alter my opinion of value accordingly.

3.7 Accommodation

Jock Stein Leisure Centre

The centre comprises a sports hall, two studio rooms, four team changing rooms, male and female changing rooms and two office rooms.

Jock Stein Pavilion

The pavilion comprises basic changing and showering facilities with a small office area. It is currently not utilised by anyone.

3.8 Defects and Repair

The leisure centre was found to be in a fair condition commensurate with its age and type. It would benefit from a degree of modernisation and it is starting to look somewhat dated in places. I understand that there have been intermittent problems with water ingress through both the Kalwall tiled roof and the profiled sheet roof section. A 2015 SLC asset discussion paper forecasted that maintenance of the Centre could total £17,200 across 2015 – 2021.

The pavilion was found to be in a fairly poor condition commensurate with its age and type. I understand that the building is currently not in use and according to staff onsite the building is condemned. The fixtures and fittings all require updating with the sanitary fittings particular dated. A 2015 SLC asset discussion paper forecasted that maintenance of the Pavilion could total £23,900 across 2015 – 2021.

It should be noted that no building survey has been carried out by this office.

3.9 Services

Although not checked with the relevant utilities it is understood that the property is connected to the usual mains services of gas, water, drainage and electricity.

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

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

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 property is situated in an underground mining area and in view of the possibility of mine workings there is an increased risk of the stability of the property being adversely affected which would normally have been investigated by the Agency's Mineral Valuer to determine the extent of any problem.

However, this valuation has been made in accordance with the revised terms of the agreement dated 6 October 2021 between us, in which you have instructed the Agency to assume that:

- (1) that the property is not affected by any mining subsidence, and
- (2) that the site is stable and would not occasion any extraordinary costs with regard to Mining Subsidence.

Accordingly the Agency has not obtained an Underground Mining Subsidence Report and the HMRC Board, for and on behalf of the Valuation Office Agency, can give no warranty, representation or assurance whatsoever as to matters which might reasonably be expected to have been disclosed by such a report.

You have agreed to waive, (and any third party seeking to rely on this valuation shall be treated as having waived), 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 the fact that this valuation, on your specific instructions, has taken no account of any matters which might reasonably be expected to be disclosed by an Underground Mining Subsidence Report.

Any third party seeking to rely on the valuation for any purpose is therefore strongly advised to make their own enquiries in relation to the stability of the property and to

consider obtaining insurance cover against subsidence, ground heave, settlement and landslide and any other such eventualities.

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 any potential 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 2.11 above, we observe that the site is adjacent to school and nursery buildings alongside residential properties.

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.

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

The site is within a known area of high-risk surface water flooding as detailed by SEPA's online flood maps.

Asbestos may be present in the construction of the pavilion building. In my opinion this may constitute an immediate and serious risk to health and the occupants should be informed that specialist advice should be sought immediately. Indeed during my inspection, I was notified that the pavilion building is no longer in use due to the potential dangers of asbestos in the ceiling of the shower room to the front of the building.

3.16 Rateable Value

Assessor	Lanarkshire VJB
Description	Sports Centre
NAV	£121,000

4. **Valuation**

4.1 Valuation Methodology / Approach and Reasoning

I have considered both the Market Value subject to a restriction to continued community use and an unrestricted Market Value, taking into account our opinion of the development potential which reflects the site's suitability for private housing.

In formulating this valuation, we have had regard to the sum that developers would be willing to pay for the site on the assumption that it was developed for private market housing. I have had regard to the site in the context of the site's likely suitability for housing, and prevailing market conditions for residential properties on sites in the locality and surrounding areas. The subjects are situated within a location which is generally characterised by local authority and ex-local authority housing.

The subject's locale is undoubtedly challenged and when viewed within a wider Hamilton context it would be fair to state that Hillhouse is a less desirable residential area than other more recent housing developments in Hamilton such as the Bellway Homes development at Meikle Earnock Road and the Miller Homes development at Highstone Hall Road. Given the development of the adjoining site by Keepmoat Homes in 2016-17 I am, however, of the view that the subject's do present a level of development potential.

The subjects do benefit from main road frontage along Hillhouse Road as well the possibility of linking into existing road access. This, together with its configuration and uniform site levels, contribute to the site's suitability for potential private development.

In order to formulate my opinion of value for the subject land for the purpose of a residential development I have had regard to the RICS GN/130 and guidance contained within the RICS: Valuation of Development Property 1st Edition October 2019. I have, therefore, prepared a valuation, primarily on a residual basis, whereby, the costs of development are deducted from the Gross Development Value (GDV).

To prepare this residual valuation, I have used Argus Developer, which is an industry recognised software program.

I have estimated the value of the proposed development (GDV) and deducted the estimated cost of finance and professional fees, developers profit and the likely construction costs, based on current RICS BCIS figures and my experience of similar development schemes in recent years.

In formulating a valuation of the subjects based on a restriction to continued community use, the valuation has been considered on a comparable basis and I have taken into account the prevailing market conditions for similar community/leisure type properties. On this basis, I have looked at sales of similar facilities whilst reflecting for example the specific location, size, nature and characteristics of the subject property.

4.2 Reasoning and Comparable Evidence

4.2.1 Unrestricted Market Value

Gross Development Value

I have estimated that the density of the subject site would be likely to sit around 16 units per acre. This proposed density is in line with densities on other residential development sites in the surrounding area. Adopting this density produces a total of 171 units, of which I have assumed planning permission would most likely be granted for terrace and semi-detached housing. This is in-keeping with the adjoining Keepmoat Homes development and the housing in the subject's immediate locale. Based on the surrounding private developments, I have assumed that the terraced and semi-detached houses would be likely to have a Gross internal Area of 904 and 1,023 Sq. Ft. respectively. I have made an allowance for a likely 25% affordable housing requirement by including 43 units at a lower sales rate in keeping with other developments that DVS have knowledge of.

Re-sales in adjoining Keepmoat Homes development at St Ninians Road, Hamilton

Address	Type	sq. ft	Re-sale Price	Re-sale Date	Re-sales Rate
2 Parfery Way	Fyvie Det	904	£165,000	Aug-20	£182
5 Shaw Drive	Blair ET	775	£155,000	Nov-20	£200

21 Shaw Drive	Balmoral MT	721	£121,000	Jul-20	£168
1 Shaw Drive	Fyvie Det	904	£185,000	Sep-20	£205

New Build Sales Evidence

House Type	Type	Area (sq ft)	Asking Price	Sales Rate (psqft)
Avant Homes at Highstonehall				
Pendlebury	DET	1,392	£325,995	£234
Ashbury	DET	1,220	£289,995	£238
Newton (inc. garage)	DET	1,027	£263,995	£257
Hamilton	SD	930	£209,995	£226
Miller Homes at Highstonehall				
Tait (int. garage)	DET	1,424	£287,000	£202
Barratt at Brackenhill View				
Fenton (int. garage)	DET	1,130	£260,995	£231
Fenton (int. garage)	DET	1,165	£248,000	£213
Balmoral	DET	1,400	£309,995	£221
Stewart Milne at Brackenhill Park				
Corringham	DET	990	£237,000	£239

I have, therefore, estimated that the Gross Development Value (GDV) of the subject site would be in the region of £29,545,000; with a general valuation tone of £180 to £190 per Sq. Ft.; which has been adjusted from the comparable evidence listed to reflect the less desirable aspects of the site.

Development Costs

I have calculated a construction cost estimate for the potential development using the RICS BCIS and by having regard to DVS experience of valuing similar residential developments.

I have adopted a development of 171 units and allowed for a development timescale of circa four and three quarter years; which equates to a three month purchase and pre-construction period and a 57 month build and sales period; a developer's profit of 20% of GDV, deductions for contingencies, external works, professional fees and an allowance for the likely cost of demolition of the existing buildings on the subject site. When considering deductions for external works, I have also taken into account the proposed development size and stated flood risk and likely works to alleviate the situation.

My residual valuation in respect of the proposed development can be summarised as follows:

- I have incorporated GIA's of 904 Sq. Ft. per Type A 3 bed mid terrace house, 904 Sq. Ft. per Type B 3 bed end terrace house, 1,023 Sq. Ft. per Type C 3 bed semidetached house and 904 Sq. Ft. per Type AH 3 bed mid terrace house. Gross Development Value has been based on comparable evidence with sales values of £165,000 for Type A, £170,000 for Type B, £185,000 for Type C and £155,000 for Type AH producing a Gross Development Value of £29,545,000.
- New build costs of £92 per Sq. Ft. for the terraced and semi-detached houses plus a 20% addition for external works. This has been based on my experience of residential developments of this nature and has been verified against information provided by the RICS Building Cost Information Service (BCIS). I have assumed demolition costs for both the leisure centre and pavilion at £860 per Sq. Ft.
- Contingency at 5% of construction costs
- Professional fees at 7% of build costs
- A minimum developer profit on GDV of 20%
- Sales and legal fees at 2% of GDV

I have further considered that the development is likely to be met with objection from the local community given the nature of its current use. I have, therefore, built in a deferment period of one year to account for this. The residual appraisal therefore produces a gross site value of £2,500,000.

Development Site Sales

As a sense check, and in accordance with RICS guidelines, I have also considered land sale evidence. However, I note that there is limited directly comparable land sale evidence available and where transactions have taken place the terms are often confidential. I have listed the relevant development site sales below:

Address	Sale price (Net)	Date	Gross Area (Acre)	Net Area	No.	Density Per	Rate per acre (Net)	Rate per unit (Net)
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Appendix 7

				(Acre)	of units	NDA		
Site at Carlisle Road Chatelherault Mill Ferniegair Hamilton	£2,270,000	March 2017	9.63	5.60	45	8.04	£405,357	£50,444
Site at Meikle Earnock Road Brackenhill Hamilton	£4,800,000	June 2017	12.99	9.96	118	11.84	£481,783	£40,678
Site at Meikle Earnock Road Brackenhill Hamilton	£3,851,780	July 2017	17.04	10.00	100	10	£385,178	£38,518
Site at Carrochan Road Balloch	£727,465	September 2019	Unknown	2.17	24	11.05	£335,237	£30,311
Site at Napierston Farm Napierston Road Bonhill	£160,000	January 2017	Unknown	0.74	12	16.22	£216,216	£13,333
Site at Millheugh Brae Larkhall	£275,000	September 2020	Unknown	2.47	8	3.23	£111,336	£34,375
Former High School School Road Lesmahagow	£421,000	August 2020	Unknown	2.36	22	9.32	£178,389	£19,136
Former Lanark Grammar School Albany Drive Lanark	£430,000	April 2019	Unknown	1.78	16	8.99	£241,573	£26,875
Site at St Ninians Road Hamilton	£601,780	December 2015	4.56	3.41	60	16*	£176,475	£10,030

*Density adjusted to reflect mix of houses and 8 flats

The above site sales at Brackenhill and Ferniegair in Hamilton provide a useful indication of the value of estate housing development sites in the town, however, these sales are somewhat dated and the general consensus is that prices have steadily increased since these sales took place a few years ago. The subject's location in the Hillhouse area would lead me to expect that it would be below the level of value that sites in more desirable areas of Hamilton and more in keeping with rates achieved in other areas of South Lanarkshire. I have included sales of land in challenged areas of West Dunbartonshire as well, to provide a wider context as to the values achieved for development sites in challenged areas and to highlight its effect on the rates achieved.

The adjacent site at St Ninians Road was sold by SLC to Keepmoat Homes in December 2015. If the subjects were brought to the market any potential housebuilder would benefit from an element of 'placemaking' that this adjacent site provides.

It should be noted that the above site sale comparisons reflect net prices which were paid by developers and it is highly likely that there would have been deductions from the headline offers to reflect abnormal costs associated with these sites. This effectively means that the headline offers (Gross Value) for these comparable development sites are likely to have been substantially higher. We are, of course, valuing on a gross value basis for the purposes of this v

Having considered the residual valuation and the comparable site sales, I am of the opinion that the residual valuation, after deferment, equating to circa £230,000 per NDA and circa £14,500 per unit, is fair and reasonable.

All things considered; I am of the view that the **Gross Value** of the subjects can be fairly stated at **£2,500,000**. It should be noted that Gross Value in this context means that I have not taking into account any abnormal costs, section 75 contributions above an affordable housing allowance or any such costs as it is assumed these costs would be identified and subsequently agreed between any willing parties.

4.2.2 Market Value restricted to continued community use

It should be noted that market evidence of sales of sports/leisure/community facilities is limited and it tends to be varied based upon the age and quality of each property.

There is likely to be a limited market for this type of property unless, like in this case, there is a club or other operator willing to take it on. Such facilities run by local authorities are in general loss-making operations, let to trusts and clubs at low or peppercorn rents reflecting the fact that maintenance and running costs are usually high in relation to any potential income.

Following extensive research, I have sourced comparable evidence which reflects the range of value for leisure/community use purposes around West and Central Scotland.

Generally speaking, market evidence of transactions I have observed, indicates that properties which are reserved for public open space/recreation or leisure type use attract a reduced value which reflects the use restriction.

Address	Type	Area (Sq. Ft.)	Sale Price	Date	Rate per Sq. Ft.
Former Family Centre 1 Paton Street Greenock PA16 7EL	Community	3,014	£65,000	Under Offer	£21.57

Appendix 7

Kinglassie Community Centre 34 Main Street Lochgelly KY5 0XA	Community	2,914	£90,000	Aug 2021	£30.89
Beatroute Art Centre 285 Wallacewell Road Glasgow G21 3RP	Community	3,606	£45,000	Apr 2021	£12.47
Former St Aloysius Hall 20 Hillkirk Street Glasgow G21 1TH	Community	6,070	£140,000	Aug 2020	£23.06
Kinning Park Complex 43 Cornwall Street Glasgow G41 1BA	Community	12,390	£162,200	Oct 2019	£13.09
Former Gym/Health Club River House Murray Road East Kilbride G75 0RT	Leisure	9,517	£85,000	Jan 2021	£8.93
Sports Club Clydeview Lane Glasgow G11 7AF	Leisure	2,571	£40,000	Oct 2016	£15.56

The sales evidence highlights capital rates of £8.93 up to £30.89 per sq. ft. being achieved for community centres and halls with rates depending on condition, size and location. Rates at the upper end of the range are typically achieved by properties that lend themselves to conversion to additional uses, typically residential development.

In this instance, as we are valuing the subjects assuming their continued use as a leisure centre the best evidence is represented by the sales at the Beatroute Arts Centre and the Kinning Park Complex as both properties were sold with restrictions to continued community use.

The Kinning Park Complex sold in October 2019 for £162,200 representing a capital rate of £13 per sq. ft. The property was in a fair internal condition however the roof required substantial works and the building had suffered from water ingress. The property was sold to a local community group with restriction to continued community use and a 100% clawback provision.

The Beatroute Art Centre recently sold in April 2021 for £45,000 representing a capital rate of £12.50 per sq. ft. This, again, represents useful sales evidence as the property was sold by the council with similar restrictions, albeit without a clawback provision, however, the council does have first right of refusal on any future sale.

The subject leisure centre has a distinct lack of modernity when comparing it with newer sports facilities. The changing rooms, sports hall and studios are all fairly basic and starting to show signs of becoming dated and requiring modernising. However, the building does have some scope for income from a café or retail-based services that you may typically expect to see from a more modern leisure facility.

Both the Kinning Park Complex and Beatroute Art Centre, were far more dated buildings than the subjects and I would expect a suitable capital rate for the subjects to sit above this level of value. Based on the above, I'm of the opinion that a suitable capital rate for the leisure centre can be fairly stated at £18 per Sq. Ft. So, say £18 per Sq. Ft. x 13,314 Sq. Ft. = £239,652, but say **£240,000**.

The pavilion building is currently not utilised by SLC and, given its condition, I do not foresee continued use. Having said that, with some minor capital investment it has scope to provide limited and basic changing facilities for teams using the synthetic pitch. Reflecting its current condition, I'm of the opinion that a capital rate in the region of £5 per Sq. Ft. is appropriate given the requirement for initial investment. So, say £5 per Sq. Ft. x 1,804 Sq. Ft. = £9,020, but say **£10,000**.

Typically, amenity land such as public open space or playing fields etc. has a value which is generally above agricultural value but limited by the assumption that the continued use will be for community purposes. The typical range can be between £5,000 and £25,000 per acre. There are very few transactions of land specifically for this purpose, and therefore, limited comparable sales. Given that the three grass football pitches and adjoining open space have no secure access or floodlighting an appropriate rate here would be in line with public amenity land at £10,000 per acre. So, say £10,000 per acre x 8.4 acres = £84,000, but say **£85,000**.

As the synthetic pitch is enclosed by secure fencing and benefits from floodlighting, I'm of the opinion that it is superior to that of the grass pitches and, therefore, an appropriate rate per acre would be above that of the adjoining grass pitches. However, the synthetic pitch is now of an age where replacement is required, and it does not provide a modern surface that matches modern football team's demands. Given the above, I'm of the opinion that an appropriate rate is in the region of £15,000 per acre reflecting the secure floodlit facilities whilst being mindful of the age and suitability of the pitch and ongoing maintenance. On that basis, I have adopted £15,000 per acre x 1.96 acres = £29,400, but say **£30,000**.

4.3 Opinion of Value

4.3.1 Restricted to Existing Use

I am of the opinion that the Market Value of the owner's heritable interest, subject to the **Special Assumption** noted below, with vacant possession is **£365,000 (Three Hundred and Sixty-Five Thousand Pounds)** as at 8 October 2021.

In accordance with your instructions, the valuation is based on the **Special Assumption** that the subjects are restricted to their existing/proposed use as a sports facility including football pitches.

4.3.2 Unrestricted Market Value

I am of the opinion that the Market Value of the owner's heritable interest, as at 8 October 2021, with vacant possession, is fairly stated at a **Gross Figure** of **£2,500,000 (Two Million and Five Hundred Thousand Pounds)**.

This is based on an estimated net developable site area of 10.69 acres, or thereby and on the proposed 171 planning units at a density of 16 units per net developable acre.

DVS would reserve our right to review these figures in the event that any of our key assumptions prove to be inaccurate.

This opinion of value is also subject to the following **Special Assumption**, in terms of the principal of valuation, that the land value should be provided on gross terms, not taking into account any abnormal cost, Section 75 contributions or any other such costs as it is assumed these costs would be identified and subsequently agreed between any willing parties.

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.

4.7 Market Commentary

There is likely to be a limited market for this type of property while restricted to continued community use. A local community sports group similar to Blantyre Soccer Academy may be interested but in order to proceed with a community asset transfer any interested party needs to satisfy requirements outlined under the Community Empowerment (Scotland) Act 2015, which again, limits the potential market for the subjects further. I have considered the COVID-19 pandemic in my opinion of value.

The wider effect of the pandemic on the market and funding for similar Community Asset Transfers remains to be seen, however, comparable evidence post-March 2020 highlights that these assets are still transacting and that my opinion of value has been formed using contemporary sales evidence.

In terms of the subjects unrestricted Market Value, I have had regard to the recent press articles and market reports published by the leading marketing agents which generally state that housebuilders have reported that the second national lockdown has had little impact on their sales.

Nationwide commented this past week that Annual house price growth remained in double digits for the fifth month in a row in September, though there was a modest slowdown to 10.0%, from 11.0% in August. House prices rose by 0.1% month-on-month, after taking account of seasonal effects. As a result, house prices remain circa 13% higher than before the pandemic began in early 2020.

The general consensus appears to be that the sentiment remains strong among the housebuilders who continue to build out schemes with sales outlets open. There are reports that smaller sites (50–100 units) in primary locations have continued to attract strong interest over the past quarter, perhaps a sign of risk aversion from parties.

The subject site is larger than this highly sought after size of site (50-100 units), however, it is adjacent to a recently developed site by Keepmoat Homes; so I am of the view that there would be potential interest from similar house builders in the subjects if it were marketed for sale at the present time.

During 2021, it has been widely reported that build costs have been steadily increasing due to materials scarcity forcing prices up and also skills shortages, both associated with the pandemic and Brexit. The BCIS General Build Cost Index reports a rise of 6.39% between February 2021 and September 2021. This has the potential to be reflected in land values where increases in house prices will be somewhat offset by increased development costs. Build cost inflation is likely to have had a more material effect on small to medium sized developments as there are less opportunities to exploit economies of scale. This is more likely to effect more centrally located brownfield development sites than large out of town greenfield developments.

It is fair to say that there remains a degree of uncertainty in the residential development market at the moment and it has been reported that land buyers are implementing risk management strategies such as introducing deferred payment terms which allows developers to spread their outgoings. There are also reports of parties considering conversions of private plots to affordable and bulk sales to build to rent, as developers look to de-risk sites at a time of increasing market uncertainty.

4.8 Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced

lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

5. General Information

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by James Martin MRICS, and the valuation has been reviewed by John McClimens MRICS and the valuation and report have been reviewed by Frances Hay MRICS, all of whom are RICS Registered Valuers, 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

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 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

6. Appendices

6.1 Photographs



Gym Studio



Sports Hall



Pavilion



Pavilion Changing Room



Local Authority Blocks on Fleming Way



Parking to front of Leisure Centre



Grass Football Pitch



Artificial Pitch



Access from Yetholm Terrace



Artificial Pitch

6.2 Plans

DVS location plan



Plan title: Jock Stein Facility, Hillhouse Road, Hamilton

Case type:

Key

Map title: NS6955NW
Scale: n/a

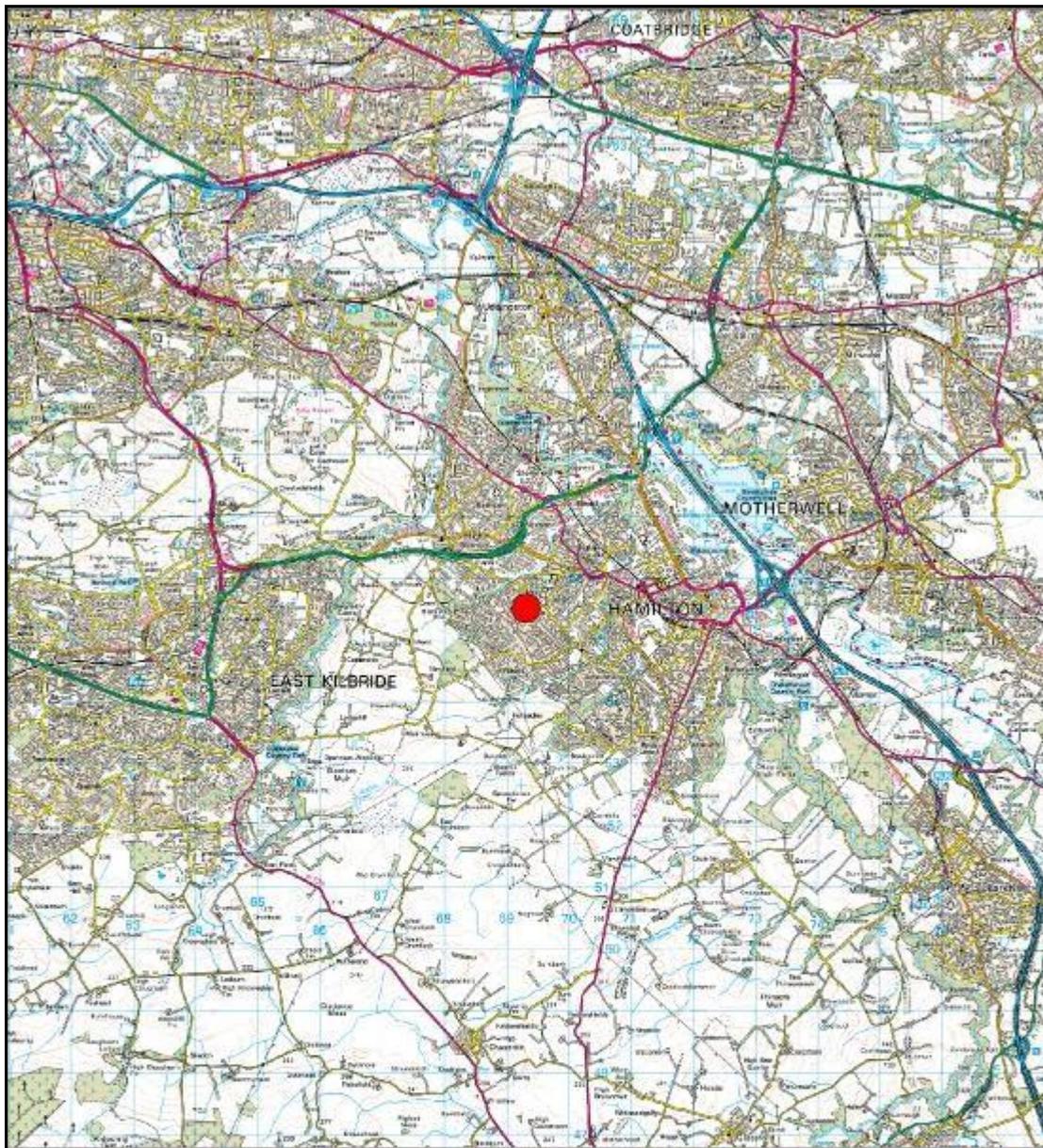
Coordinates: 269451,655596
Area: Perimeter:



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Date: 23/9/2021

DVS Wider Location Plan



Plan title: Jock Stein Centre, Hillhouse Road, Hamilton ML3 9TU

Case type:

Map title: NS65NE
Scale: n/a

Coordinates: 269344,655581
Area: Perimeter:

Key



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Date: 30/9/2021

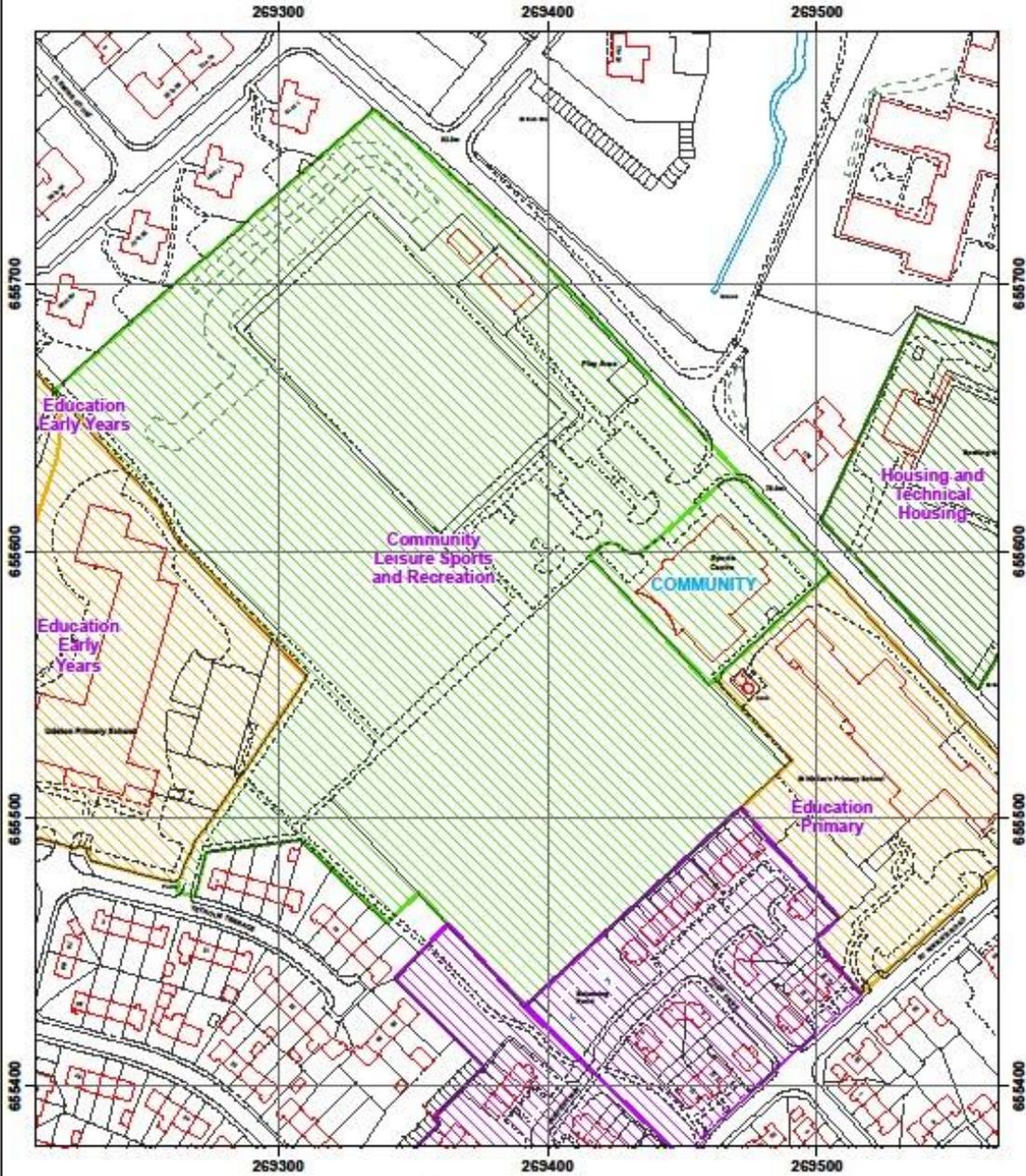
Appendix 7

Disposal Plan Supplied by SLC

Title: Hillhouse Road
Town: Hamilton



Scale 1:2,000



Ordnance Survey
Digital Data
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Ordnance Survey 100020730.

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