

# Valuation Report

Lochinver Mission Hall  
Culag Park  
Lochinver  
IV27 4LE

On behalf of **Assynt Development Trust Ltd**

Date of Valuation: **28<sup>th</sup> October 2019**  
Our Ref: CM/SC/INV-2019/09/0086





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Our Ref: CM/SC/INV-2019/09/0086

Date: 28/10/2019

Dear Sir

**Lochinver Mission Hall, Culag Park, Lochinver, IV27 4LE**  
**Client: Assynt Development Trust Ltd**  
**Report for Valuation Purposes in Respect of Mixed Use Premises**

We refer to your emailed instructions of 12<sup>th</sup> September 2019 to prepare a Valuation Report on the above mentioned property, and our written response of 18<sup>th</sup> October 2019 confirming the instructions and our Terms and Conditions of Engagement. A copy of our confirmation letter is enclosed in **Appendix 1**.

We have been instructed by you to prepare a Valuation (Pounds Sterling) as at the 28th October 2019 for potential acquisition purposes.

This report has been prepared in accordance with the RICS Valuation - Global Standards 2017 and incorporating IVSC International Valuation Standards.

We are acting as an External Valuer.

We have no conflict of interest.

We have Professional Indemnity Insurance at a level adequate in terms of this instruction on a per claim basis in respect of the services we are providing, limited by our Terms and Conditions of Engagement.

This report has been completed on a restricted desktop basis. We previously inspected the property on 6<sup>th</sup> February 2019 and have relied on the floor areas from that survey. We have further assumed the property has been maintained in a similar condition. This report has been prepared by Charlie Lawrence Partner MRICS RICS Registered Valuer, who has the knowledge, skills and understanding to undertake the Valuation competently.

We have provided you with our opinion as to the Market Value, as instructed. The valuation date is the 28th October 2019. It is assumed that there have been no changes affecting the property since the date of the original inspection which will have had an impact upon Market Value.



Information in respect of the subjects provided by the client or other connected party and referred to has been relied upon. If Graham + Sibbald is requested to arrange any inspection or other work by any other party this is done so on the client's behalf. The client must satisfy itself as to the terms and conditions on which such party renders its services. Graham + Sibbald does not assume or accept any liability whatsoever in connection with any arrangement or recommendation including without limitation for the acts or omissions of such other party.

Neither the whole nor any part of the Valuation, nor any reference thereto, may be included in any published document, circular or statement nor published in any way without our written approval to the form and the content in which it may appear.

This Report is provided for the sole use of the **Assynt Development Trust Ltd** and is confidential to the client. The contents are not to be disclosed nor made use of by any third party without our express prior written consent. Without such consent we can accept no responsibility to any third party

Unless otherwise stated this Report will be signed by the External Valuer on behalf of the Partnership and we confirm that the Valuer and all Partners of the Firm have the specified qualifications being either Professional Members or Fellows of the Royal Institution of Chartered Surveyors.

Our aggregate liability to any one or more or all of the addressees or any other party who otherwise becomes entitled to rely upon our report under or in connection with these terms and conditions of engagement and our valuation, however that liability arises, shall be limited to the lower of the following:

- a) 25% of the valuation
- b) £20M

Graham + Sibbald are regulated by the Royal Institution of Chartered Surveyors and the valuation may be subject to monitoring under the RICS Conduct and Disciplinary Regulations.

The Valuers signing this report accept no personal liability for the content of this report. The report is signed solely on behalf of Graham + Sibbald as a partnership.

We report as follows:-



## Valuation Summary

<b>Property</b>	<b>Lochinver Mission Hall, Culag Park, Lochinver, IV27 4LE</b>																
<b>Property Classification</b>	The subject property is held on a ground lease.																
<b>Property Use</b>	<p>The property is of mixed use.</p> <p>At ground floor level, there is a café/restaurant with kitchen and staff facilities. There is also a room currently not in use which we understand was formerly used as a marine visitor centre.</p> <p>At first floor level there are two distinct wings with bunkhouse/hostel accommodation in one section and office accommodation in the other.</p> <p>In our opinion the above uses would fall under use classes 3 (Food and Drink), 4 (Business) and 7 (Hotel/Guest House).</p>																
<b>Location</b>	The subjects are located to the southern end of the small village of Lochinver which is situated in the north west of the Scottish Highlands.																
<b>Description</b>	<p>The subject building is set over two storeys and is of concrete blockwork construction which is white washed rendered externally. The roof is pitched with a timber frame and is clad externally with metal profile sheeting. There are also sections of flat roofing which is of UPVC material.</p> <p>At ground floor level there is a restaurant/café which takes up the majority of the floor space. To the south-eastern end there is a disused room which we were informed was formally used as a marine visitor centre. On the first floor the floor space is split roughly in half between a bunkhouse/hostel to the western side and office space to the eastern side. There is also a disused room in shell condition to the rear of the office space which is currently used for storage purposes.</p>																
<b>Accommodation</b>	<table border="1"><thead><tr><th>Floor</th><th>Description</th><th>Sq.m</th><th>Sq.ft</th></tr></thead><tbody><tr><td>Ground</td><td>Café/Restaurant/Storage Areas</td><td>108.77</td><td>1,171</td></tr><tr><td>Ground</td><td>Former Marine Visitor Centre</td><td>50.57</td><td>544</td></tr><tr><td>First</td><td>Bunkhouse/Hostel Accommodation</td><td>56.15</td><td>604</td></tr></tbody></table>	Floor	Description	Sq.m	Sq.ft	Ground	Café/Restaurant/Storage Areas	108.77	1,171	Ground	Former Marine Visitor Centre	50.57	544	First	Bunkhouse/Hostel Accommodation	56.15	604
Floor	Description	Sq.m	Sq.ft														
Ground	Café/Restaurant/Storage Areas	108.77	1,171														
Ground	Former Marine Visitor Centre	50.57	544														
First	Bunkhouse/Hostel Accommodation	56.15	604														



	First	Office Accommodation	29.47	317
	<b>Total NIA</b>		<b>244.96</b>	<b>2,636</b>
<b>Date of Valuation</b>	28 <sup>th</sup> October 2019.			
<b>Market Value (Investment)</b> <b>*Subject to the occupational ground lease</b>	£ 7,500 (SEVEN THOUSAND FIVE HUNDRED POUNDS STERLING)			

**This valuation summary is provided as a quick reference but is subject to and must not be relied upon out of context from the full valuation report.**



## 1.00 Location

1.01 The subjects are located in the small village of Lochinver which is situated in the far north west of the Highlands. The village has a population of approximately 600 (2011 census) and includes a strategically located port for access to the rich fishing waters to the north west of mainland Scotland. It is located approximately 20 miles north of Ullapool and approximately 93 miles north west of Inverness. The main access to Lochinver is attainable by road via the A837 which connects the town with Ullapool (via A835) and the more populous southern areas of the Highlands.

Within Lochinver the subject property is located to the southern end close to the harbour area. Access to the subjects is attained by continuing south through the centre of Lochinver along Culag Road (A837) until the subject property becomes visible to the left hand side (south). A small unnamed rural road must then be taken to access the building which is set back approximately 50 metres from the main road behind the local Highland games field.

1.02 A location plan appends the rear of this report as **Appendix 2**.

## 2.00 Description

2.01 The subject property is set over two storeys and is of concrete blockwork construction which is white wash rendered externally. For design purposes the walls also incorporate timber panelling. The roof is pitched with a timber frame which is clad with metal profile sheeting. There are also solar panels incorporated into the roof but we understand these are currently out of use. Above the reception area and rear plant room there are sections of flat roof that are of UPVC material. Downpipes and guttering are of aluminium material whilst all of the windows are double glazed and of UPVC material.

2.02 Upon entering the subjects from the northern side there is a reception area. To the left of this area is a disused room which we understand was formerly used as a marine visitor centre but is currently vacant. To the rear of the reception area is a small corridor which provides access to the male, female and disabled WCs and the rear door as well as staff access to the kitchen/storage areas for the café/restaurant. To the immediate right hand side of the reception area is the café/restaurant's seating area with the requisite kitchen, storage and staff areas to the rear. Through a separate external access to the rear of the property there is a plant room which features the woodchip pellet boiler which serves the building. This type of boiler requires a constant supply of wood chip pellets and as a result the back of the plant room is subdivided by a timber framed wall into a store exclusively used for the storage of wood chip pellets which is regularly refilled.



2.03 The first floor is accessed through an external rear entrance to the south of the building which maintains separation between it and the ground floor facilities. At the top of the stairwell there is a landing with doorways on either side. The right hand entrance leads through to two offices. To the rear of the second office there is also access to a further room which is currently in shell condition and appears to be in use as an attic style store. To the opposite side of the landing is the bunkhouse/hostel accommodation. Within this there are three bedrooms, a kitchen/dining/living space area, and three WCs with two of these incorporating shower facilities.

Internally, the walls and ceilings are of plasterboard material throughout. At ground floor level there is a concrete floor with a mixture of granite effect tiling, carpet and vinyl flooring throughout. At first floor level there is a timber floor with a mixture of carpet and vinyl flooring. Lighting is mixed with spotlights, pendant lights and halogen strip lighting mixed throughout the building. The property is heated by radiators which are powered by a wood pellet boiler.

To the west of the property is the car park which is surfaced with loose stones. Between the building and the main road is the Lochinver Highland Games field which also acts as a community sports field. This is relatively level in nature and is surfaced with grass. Both of these areas are under the ownership of Assynt Community Association and are not covered under the ground lease. For the avoidance of doubt the sports field is not included within our valuation.

2.04 An Ordnance Survey extract appends the rear of this report as Appendix 3 and Appendix 4 an indicative photographic schedule.

### 3.00 Accommodation

3.01 We have measured the property in accordance with the RICS Property Measurement, 1st Edition, and have calculated the floor areas in accordance with the RICS Code of Measuring Practice (6th Edition) to arrive at the net internal floor areas as follows:-

Floor	Description	Sq.m	Sq.ft
Ground	Café/Restaurant/Storage Areas	108.77	1,171
Ground	Former Marine Visitor Centre	50.57	544
First	Bunkhouse/Hostel Accommodation	56.15	604
First	Office Accommodation	29.47	317
<b>Total NIA</b>		<b>244.96</b>	<b>2,636</b>





3.02 We note the area on which the building sits with a negligible area around it is currently under a ground lease from the Highland Council to Assynt Development Trust Limited and measures 0.11 acres / 0.05 hectares or thereby. The rest of the land is owned by the Assynt Development Trust and includes the car park to the western end of the property, the football pitch/Highland Games field to the northern side and some woodland to the eastern side of the property. This area measures 2.49 acres / 1.01 hectares meaning the total site area measures 2.60 acres / 1.06 hectares. A right of access also exists over the access road. The Ordnance Survey Extract attached to the rear of this report as **Appendix 3** shows the layout of these areas with the owned area shown in blue, the area under the ground lease shown pink and the area over which a right of access has been granted shown in red.

## 4.00 Services

4.01 The property is connected to mains supply for sewerage, electricity and water facilities. There is no gas on site.

4.02 The subjects are heated through conventional radiators which are heated by a woodchip pellet boiler. Lighting is mixed throughout the property with some spotlights, some pendant style lights and some halogen strip lights positioned around the property.

4.03 None of the services were tested at the time of inspection however for the purposes of this report, they are assumed to function satisfactorily.

## 5.00 General Condition and Remarks

5.01 In undertaking the valuation we have had due regard to the general state of repair and condition of the property as at the original survey date of 6<sup>th</sup> February 2019. The inspection was not a Building or Structural survey (although our Building Surveying Department would be pleased to provide this service) and this report is not intended to detail minor defects which do not materially affect value. However, if minor defects are mentioned in the report, they should be regarded as indicative and not an exhaustive list of defects. For the purposes of the Valuation, it is assumed that the property is in good repair, except for any defects specifically noted.

5.02 We have not carried out any tests to determine whether or not any hazardous building materials including asbestos and flammable insulation have been incorporated in the construction. We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible at the time of our inspection and we are therefore unable to report that any such part is free from defect. Services and their appliances have not been tested and it is assumed that all services, and any associated controls or software, are in working order and free from defect. Specifically the Valuer has not carried out an Asbestos Inspection and has not acted as an Asbestos Inspector in completing the valuation inspection of the Property which may fall within the Control of Asbestos Regulations 2012. No enquiry of the duty holder (as defined in the Control of Asbestos Regulations 2012), of the existence of an Asbestos Register, or of any Plan for the Management of Asbestos



has been made. For the purposes of this Valuation, it is assumed that there is a Duty Holder, and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE Regulations.

5.03 The following is merely a list of general items noted during the course of our original inspection and should not under any circumstances be considered an exhaustive list of defects. If a report on the condition of the property is required, we would be pleased to assist further in that regard.

5.04

#### **External**

- Generally in good condition. Was renovated to a cost of £600,000 in 2010/2011.
- There was some moss visible on the flat roof above the Plant Room. We advise this is cleared.
- We noted some paint stripping off the wall at its base close to the main entrance to the property. We recommend this is redecorated
- We noted some vegetation growth within the guttering particularly on the east and south elevations of the building. We recommend this is cleared.

#### **Internal**

- Generally in good condition after renovation in 2010/2011.
- We noted some staining on the plasterboard wall within the vacant former marine visitor centre particularly to the rear of the room. This appears to be historic. We recommend this is redecorated.
- We noted some damage to the plasterboard walls and units within the bunkhouse/hostel WCs. We recommend this is redecorated.

5.05

#### **Flooding**

Through consultation of the Flood Map on the SEPA website, it appears the subject site is located close to areas that are at risk from coastal and/or river flooding. We therefore recommend that enquiries are made of your insurer to ensure that the property can be insured on normal commercial terms and at market rates. If insurance for the property proves problematic or is not available on normal commercial terms at market rates, then value and marketability will be affected. Until otherwise advised, we have valued the property on the assumption that the building can be insured on normal commercial terms and at market rates. A copy of the SEPA Flood Map appends the rear of this report as **Appendix 5**.

5.06

#### **Equality Act 2010**

We have not carried out a full Disabled Access Audit to determine the extent of non-compliance with the property in relation to the requirements of the Disability Discrimination Act 2005. It is a requirement of this Act that disabled people are provided similar access to commercial/public properties as able bodied people, and as such it is the responsibility of the property owner/occupier to ensure that disabled persons are given such access where reasonably practicable. The extent of any non-compliance is normally ascertained by carrying out a detailed audit of the subjects which is outwith the scope of this valuation. Unless otherwise stated we have made an assumption that there are no issues in terms of the Equality Act that would adversely affect marketability or value.



5.07 **Assessment of Energy Performance of Non-domestic Buildings (Scotland) Regulations 2016**

We have not had sight of EPC documentation, however this would be required were the property offered for sale or lease at the present time.

6.00 **Property Classification**

6.01 It is assumed that the property possesses good and marketable Title is free from any onerous or unusual burdens or covenants, restrictions, charges or other matters which may adversely affect the subjects and that any necessary access ways or servitude requirements are covered by the relevant formalised documents. Site boundaries are to be taken as generally indicated on site although no checks have been made in this connection and any site area quoted will be subject to verification from the Title Deeds. The Valuer has relied upon information provided by the client and/or the client's legal agents with regard to the extent of title, provision of lease documentation and any other relevant documentation. We confirm that the interpretation of legal documents is a matter for the client's legal agents and no responsibility or liability is accepted for the true interpretation of the legal title in the property. It is assumed that the roads and footpaths ex-adverso the subjects are fully made up and the responsibility of the Local Authority.

6.02 The subject property is held on the basis of the Ground Lease described in section 9 below.

6.03 The subject property shares rights of access over the small road to the south of the building and car park and as such may have to contribute to a share or repairs maintenance insurance etc to the common parts. We have not had sight of documentation detailing this and until otherwise informed have made an assumption that all charges are shared on an equitable basis.

7.00 **Statutory Enquiries**

7.01

<b>Current Use</b>	<p>The property is of mixed use. The ground floor is mainly in use as a café/restaurant. There is also a room currently not in use which we understand was formerly used as a marine visitor centre. The first floor is fairly evenly split between a bunkhouse in one section and office accommodation in the other.</p> <p>We understand the above uses fall under use classes 3, 4 and 7.</p>
<b>Local Plan</b>	<p>The Caithness and Sutherland Local Development Plan (adopted 2018).</p>
<b>Zoning</b>	<p>No specific zoning.</p>
<b>Listed Building</b>	<p>No.</p>



<b>Conservation Area</b>	No.
<b>Rateable Value</b>	£9,750
<b>Uniform Business Rate</b>	48 pence

7.02 It is assumed that all works necessary to meet the requirements of all competent legislation, statutory instruments and Local Authority Orders will have been complied with (in particular Fire Regulations / Fire Assessments, Disability Discrimination legislation, Legionella Control and Energy Performance Certificates).

7.03 It is assumed that the subjects have all necessary lawful statutory consents (including planning permissions) for the current buildings and use and that there are no matters adversely affecting the property which might be revealed by a local search. The Valuer has, where appropriate, investigated as to whether there are any policies or proposals by statutory authorities that could positively or adversely affect the value. On occasions, delays or expense may be such that this information is not available and in these instances it will be assumed that the property is not adversely affected by any proposals.

7.04 Our enquiries have been restricted to the online version of the relevant Local Plan and relied upon. No written enquiries have been made.

## 8.00 Environmental, Site and Ground Conditions

8.01 We have not carried out any investigations as to ground conditions or whether the site, and surrounding area, is or has in the past been contaminated and our valuation is prepared on the assumption that the subjects are not adversely affected by ground conditions or any form of contamination. The Valuer did not carry out an inspection for invasive plant species (e.g. Japanese Knotweed). Unless otherwise stated, for the purposes of the valuation we have assumed that there is no invasive plant species within the boundaries of the property or in neighbouring properties. The identification of invasive plant species should be made by a specialist contractor. It must be removed by Specialist contractors and removal may be expensive. Where the Valuer does report the presence of invasive plant species, further investigations may be recommended.

8.02 We have not been provided with any report on contamination pertaining to this property but on an informal basis, we would comment that the property and its immediate locality do not appear to be used for the storage and/or sale of toxic materials such as chemicals, petroleum products, pesticides, fertilisers, acids, asbestos, explosives, paint or radioactive materials. We have no information with regards to historic uses of the property.



## 9.00 Ground Lease Details

9.01 We have been provided with a copy of the Ground Lease documentation. We have, however, been advised that this has been completed in the form exhibited to us. We emphasise our observations represent an informal summary of the lease terms and are not a legal opinion on the terms of the lease. Should this be required, we advise further legal advice is sought from your solicitor. The essential lease terms can be summarised as follows:-

<b>Landlord</b>	Highland Council
<b>Tenant</b>	Assynt Community Association
<b>Subjects</b>	0.11 acres / 0.05 hectares of land to the south of Culag Park, Lochinver, Lairg, IV27 4LE. (this area is shown pink on the Ordnance Survey Extract which is enclosed in <b>Appendix 3</b> ).
<b>Lease Term</b>	50 years from 26 <sup>th</sup> November 2010 until 25 <sup>th</sup> November 2060.
<b>Rental</b>	£1 per annum.
<b>Rent Review</b>	<ul style="list-style-type: none"><li>• Every 5 years from the date of entry (we understand none have been undertaken since the date of entry).</li><li>• The review is undertaken to determine the annual open Market Rent which would be obtained if the subjects are let by a willing Landlord to a willing Tenant with vacant possession for the unexpired portion of the Lease.</li><li>• If an agreement is not reached then an expert surveyor will be employed to determine the annual open market rent.</li></ul>
<b>Repairs &amp; Insurance</b>	Fully repairing and insuring.
<b>Alienation</b>	Permitted assuming the incoming tenant is of sound financial standing and is not unreasonable.
<b>Use</b>	Tenants shall not use or permit to use the subjects for anything other than a café, restaurant, backpackers hotel, digital archive marine visitor centre and for no other purpose whatsoever unless with the prior written consent of the landlord.



10.00

## Evidence and Valuation Methodology

10.01

### Comparable Evidence – Lettings

Address	Area (sq ft)	Rate (£psf)	Date	Comments
Durness Tourist Information Centre, Durness	1,157 (GIA)	£8.90	August 2017	The subjects were let to Visit Scotland after the Landlord had served notice on them. We believe this is slightly over rented. Similar construction to subjects in similarly rural location. Small toilets etc so negligible difference between GIA and NIA of property.
The Bridge Café, Spean Bridge	1,501 (NIA)	£13.32	February 2019	The subjects were let by Ferguson Transport to Mrs Mary Fraser for £20,000 per annum. Better location than subjects but a similar style of building in a rural Highland village. Recent letting
Ullapool Tourist Information Centre, Ullapool (6 Argyle Street)	641 (NIA)	£17.16	May 2018	Similarly rural location to subjects although Ullapool is more popular with tourism in summer months. 5 year lease extension to Visit Scotland with a tenant break option at year 3. The subject building is considerably larger than this so quantum must be considered. In our opinion this is also over rented.



Retail Unit, Auchtercairn Road, Gairloch	2,428 (NIA)	£8.24	October 2014	Historic letting of rural village shop to Martin McColl Retail Group.
Unit 1, Wick Business Park, Wick	3,415	£7.54	March 2018	The property was let to Beatrice Wind Farms for a short term of 1 year. This resulted in a slight premium being paid. However, the subjects were also long standing and vacant which offsets this figure. Wick is a more prominent location but has higher levels of supply with limited demand.
Unit 2B, Wick Business Park, Wick	1,641	£7.31	August 2014	Let to BSS Limited for 5 years on FRI terms and £12,000 per annum. Wick is a more prominent location but has higher levels of supply with limited demand.

10.02

#### Comparable Evidence - Sales

Address	Area (sq ft)	Rate (£psf)	Date	Comments
Assynt Visitor Centre, Lochinver	2,734	£58.52	Sep 2019	VP Sale. Purchased by a private occupier for £160,000. The asking price was £192,000. No parking or land included and arguably poorer building. Good comparable.
Golspie Health Centre, Fountain Road, Golspie	1,292	£38.75	Apr 2015	VP Sale. Purchased by an unknown buyer. Comparable location and



				construction but slightly historic.
The Bridge Cafe, Fort William Road, Spean Bridge	1,906	£86.57	Jan 2015	VP Sale. More prominent location as adjacent to A82 trunk road but poorer building.
James Trail House, Thurso Enterprise Park, Thurso	2,146	£70.06	Apr 2018	VP Sale. Modern office building in Caithness. Good comparable.

10.03

### Valuation Methodology

#### Market Rent Calculation

In arriving at our opinion of the Market Rent of the subjects we have adopted the comparable method of valuation. In doing so we have divided the building into four component parts. Two of these are on the ground floor. The first of these is the café/restaurant area including the kitchen and rear stores. The second area is the presently vacant former marine visitor centre. The other two component parts are on the first floor. These being the bunkhouse/hostel accommodation and the first floor office space.

We have applied a rental rate of £7.00 per square foot to the café/restaurant floor area which measures 1,171 square feet NIA. This gives a Market Rent of £8,197 which we have rounded to £8,200.

We have applied a rental rate of £6.00 per square foot to the former marine visitor centre which, in our opinion, could be used as an office in the future. The area gives measures 544 square feet NIA which gives a Market Rent of £3,264 which we have rounded to £3,250.

We have applied a rental rate of £6.50 per square foot to the bunkhouse/hostel accommodation. This area measures 604 square feet NIA which gives a Market Rent of £3,926 which we have rounded to £3,900.

We have applied a rental rate of £6.00 per square foot to the first floor office space which measures 317 square feet NIA. This gives a Market Rent of £1,902 which we have rounded to £1,900.

Based on the above, in our opinion the Market Rent of the subject property is £17,250 per annum.

#### Market Value (Investment)

In arriving at our opinion of the Market Value of the heritable interest subject to the long term ground lease we have taken into account the ground lease to the Assynt Community Association. As an investment the subjects would be relatively unattractive. Any buyer would have very little income for 41 years. On this basis the term value is minimised. However, on reversion or expiry of the ground lease any investor would then own an asset albeit in 41 years time. We have therefore





discounted our opinion of the Market Value with Vacant Possession to bring it back to the valuation date.

In doing so, we have assumed a discount rate of 8% over 41 years. This gives a present day Market Value as an Investment of £7,672 which we have rounded to £7,500. The discount rate reflects the opportunity cost and risks of the money invested.

## 11.00 Valuation

11.01 **Market Value (MV)** is 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.

11.02 After full and careful consideration of all relevant factors, we are of the opinion that that the Market Value of the subjects as an Investment, subject to the long term occupational ground lease, can be fairly stated in the sum of:-

<b>Market Value (Investment)</b>	<b>£ 7,500</b>
<b>*Subject to the occupational ground lease</b>	<b>(SEVEN THOUSND FIVE HUNDRED POUNDS STERLING)</b>

11.03 In arriving at our opinion, no allowance will be made in respect of any expenses liable to be incurred in effecting realisation of the asset or for any tax liability which may be eligible following disposal of the asset. For the avoidance of doubt, the valuation is net of any Value Added Tax which may be applicable.

11.04 Unless appropriate we have excluded any value in respect of goodwill or tenant's fixtures and fittings, and have disregarded any value attached to plant and machinery with the exception of heritable items.

## 12.00 Indicative Guide to Reinstatement Cost

12.01 This indication for insurance purposes is given solely as a guide, and without liability, since a formal estimate provided by us requires to be undertaken by our Building Surveyors who have the necessary current experience of replacement costs.

12.02 We recommend that you commission a full Insurance Reinstatement Valuation to ensure the sum insured is sufficient and that this should be updated regularly.



12.03

On this basis, we suggest an indicative Reinstatement cost of no less than **£1,080,000 (ONE MILLION EIGHTY THOUSAND POUNDS STERLING)**. This guidance figure is a "Day One" estimate of costs for reinstating the premises in relation to building costs as at October 2019, including demolition, site clearance and fees but excluding VAT, except on fees.

We trust this report is sufficient for your present purposes but should you require any further information, please do not hesitate to contact this office.

Yours faithfully

**Charlie Lawrence, MRICS**  
RICS Registered Valuer  
For and on behalf of Graham + Sibbald  
[Charlie.Lawrence@g-s.co.uk](mailto:Charlie.Lawrence@g-s.co.uk)

**John MacBean, MRICS**  
RICS Registered Valuer  
For and on behalf of Graham + Sibbald  
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## Appendix 1.00

### Conditions of Engagement Letter

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**GRAHAM + SIBBALD**

Assynt Development Trust Ltd  
The Mission Culag Park  
Lochinver  
Lairg  
IV27 4LE  
F.A.O: Willie Jack, Director

Our Ref: CM/SC/INV-2019\09\0086

Date: 17/10/2019

Dear Sir

**Lochinver Mission Hall, Culag Park, Lochinver, Lairg, IV27 4LE**  
**Conditions of Engagement for Commercial Valuation**

We refer to your emailed instructions to Charlie Lawrence dated 12<sup>th</sup> September 2019 and in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017 and incorporating IVSC International Valuation Standards we confirm the following:-

- 1. Instructions** - We have been instructed by you to prepare a Valuation (Pounds Sterling) as at the date as specifically agreed for potential disposal purposes.
- 2. Interest to be Valued** - The valuation will be of the Proprietor's Interest in the Heritable Property with the benefit of Vacant Possession.
- 3. Competency** - We confirm that the instruction will be undertaken by a Valuer who has the knowledge, skills and understanding to undertake this valuation competently.
- 4. Conflicts of Interest** - We have no conflict of interest. We confirm we will be acting as an External Valuer.
- 5. Conditions of Engagement** - Our Valuation will be subject to our Terms and Conditions of Engagement for the Valuation of Commercial Property, a copy of which is enclosed, and the Basis of Valuation which will form an integral part of our Valuation Report. Following our inspection any other relevant caveats necessarily arising as a result of the inspection will also be specified. We confirm we have Professional Indemnity Insurance of an adequate level on a per claim basis in respect of the services we are providing.
- 6. Fees & Disbursements** - The agreed fee is £950 plus VAT, including all reasonably incurred disbursements. It should be noted our policy is that reports on valuation will not generally be issued until our fee invoice has been settled. If a survey instruction is cancelled after we have inspected the property we reserve the right to seek an abortive fee equating to 75% of the agreed fee plus outlays and VAT.

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4 Ardross Street  
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For a full list of partners  
visit our website.

[www.g-s.co.uk](http://www.g-s.co.uk)



Regulated by RICS  
Chartered Surveyors  
A Quality Assured Firm



We assume you find the above to be in order and we are now proceeding accordingly but please confirm by posting or faxing this letter with the following acknowledgement duly completed or alternatively email your acceptance.

Yours faithfully

**Callum Maclean**  
Graduate Surveyor  
T: 01463 701884  
E: [Callum.Maclean@e-s.co.uk](mailto:Callum.Maclean@e-s.co.uk)

Enc

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I / We confirm these instructions and acceptance of the fee arrangements.

Signed: .....

Name (Print): .....

Date: .....

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Lochinver Mission Hall, Culag Park, Lochinver, Lairg, IV27 4LE

Date: 17/10/2019

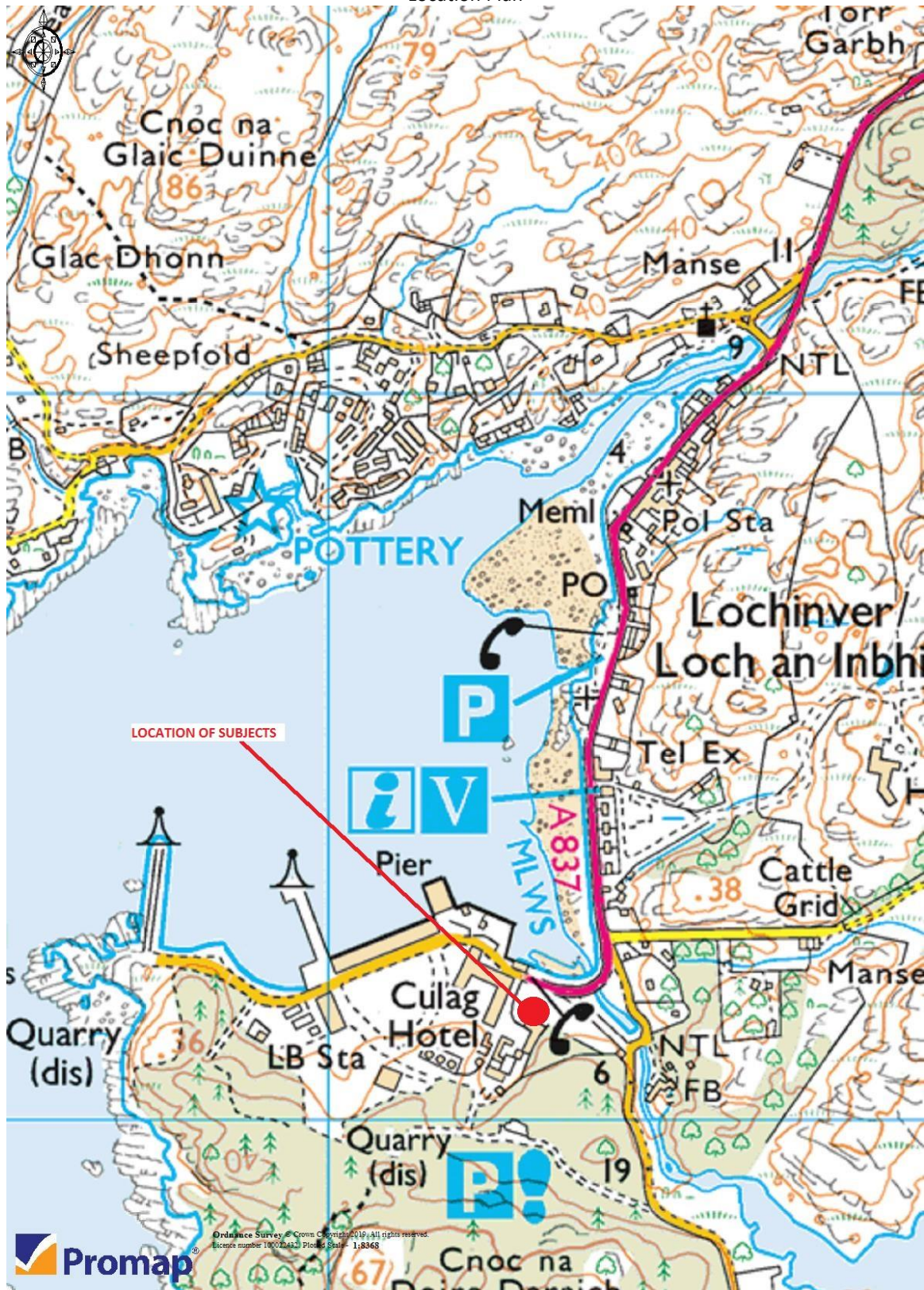
Our Ref: CM/SC/INV-2019\09\0086





# Appendix 2.00

## Location Plan



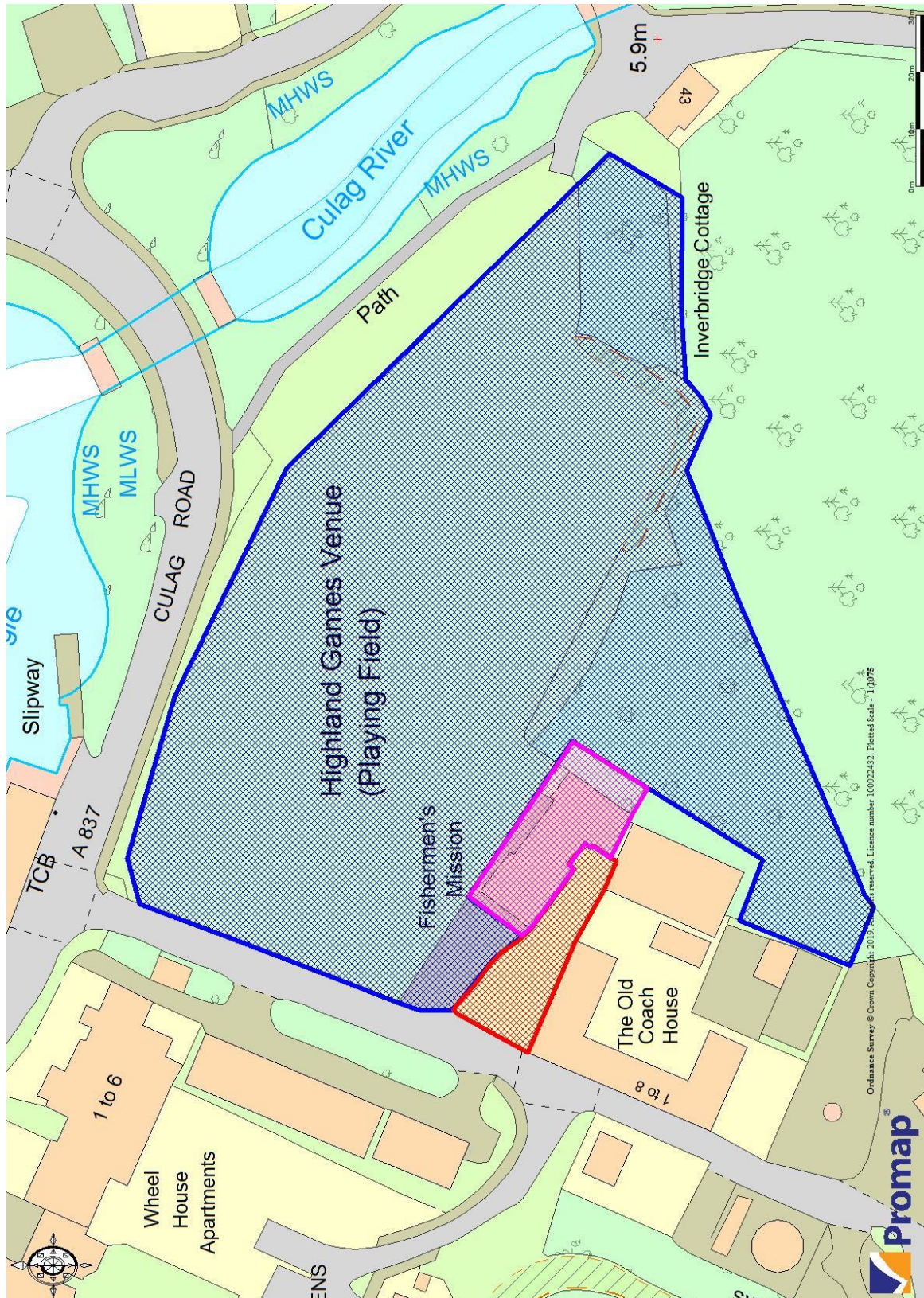
This plan is published for convenience of identification only and although believed to be correct its accuracy is not guaranteed.





### Appendix 3.00

Ordnance Survey Extract (owned area – blue; ground lease area – pink; right of access area – red)



This plan is published for convenience of identification only and although believed to be correct its accuracy is not guaranteed.



## Appendix 4.00

### Photographic Schedule



External Front



External Rear





Internal – Café/Restaurant



Internal – Marine Educational Facility





Internal – Bunkhouse Kitchen/Dining Room



Internal – Bunkhouse example Bedroom



Internal – Office Space



# Appendix 5.00

## SEPA Flood Map

