

# Desktop Valuation Report

Raasay Ferry Terminal Building  
Clachan  
Isle of Raasay  
IV40 8PB

On behalf of **Raasay Development Trust Limited**

Date of Valuation: **18<sup>th</sup> December 2020**

Our Ref: CL/CM/INV-2020\12\0043



## Contents

Confirmation of Instruction

Valuation Summary

1.00	Location
2.00	Description
3.00	Accommodation
4.00	Services
5.00	General Condition and Remarks
6.00	Property Classification
7.00	Statutory Enquiries
8.00	Environmental, Site and Ground Conditions
9.00	Tenure
10.00	Evidence and Valuation Methodology
11.00	Valuation
12.00	Valuation Certainty

## Appendices

1.00	Conditions of Engagement Letter
2.00	Location Plan
3.00	Ordnance Survey Extract
4.00	SEPA Flood Map

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F.A.O: Elizabeth Macleod – Local Development Officer

Our Ref: CL/CM/INV-2020\12\0043

Date: 18/12/2020

Dear Madam

**Raasay Ferry Terminal Building, Clachan, Isle of Raasay, IV40 8PB**  
**Client: Raasay Development Trust Limited**  
**Report for Valuation Purposes in Respect of a Ferry Terminal Building**

We refer to your emailed instructions of 20<sup>th</sup> November 2020 to prepare a Desktop Valuation Report on the above mentioned property, and our written response of 20<sup>th</sup> November 2020 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 Desktop Valuation (Pounds Sterling) as at 18<sup>th</sup> December 2020 for the purpose of potential purchase. As previously stated, this report has been completed on a restricted Desktop basis in terms of VPS 2.4.

This report has been prepared in accordance with the RICS Valuation – Global Standards ('the Global Red Book') and having regard to the UK National Supplement.

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.

As the subject report has been carried out on a restricted Desktop basis, the subjects were not inspected. The report has been prepared by Callum Maclean and Charlie Lawrence, Partner RICS Registered Valuer who has the knowledge, skills and understanding to undertake the Valuation competently. The date of the valuation is 18<sup>th</sup> December 2020. It is assumed that there have been no changes affecting the property after this date 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 **Raasay Development Trust Limited** 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>	Raasay Ferry Terminal Building, Clachan, Isle of Raasay, IV40 8PB		
<b>Property Classification</b>	Outright ownership of the heritable interest.		
<b>Property Use</b>	Ferry Terminal Building		
<b>Location</b>	The subjects are located on the western coast of the Isle of Raasay, in a small settlement known as Clachan.		
<b>Description</b>	As the subjects have been valued on a Desktop basis, an inspection has not been carried out. However, from photographs provided by the client, the property appears to be of stone construction, with a slightly pitched flat roof, clad with profile metal sheeted material.		
<b>Accommodation</b>	<b>Area</b>	<b>Sq.m (NIA)</b>	<b>Sq.ft (NIA)</b>
	Waiting Room	20.00	215
	Store	11.50	124
	Office / Tea Prep	16.00	172
	<b>Total</b>	<b>47.50</b>	<b>511</b>
<b>Date of Valuation</b>	18 <sup>th</sup> December 2020		
<b>Market Value (Vacant Possession)</b>	£40,000 (FORTY THOUSAND 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 on the western coast of the Isle of Raasay, in a small settlement known as Clachan. Given the buildings use as the main Ferry Terminal for the island, it is positioned near to the main Ferry Pier, which acts as the islands' main transport link to the Isle of Skye and the Scottish Mainland.

1.02 The Isle of Raasay is a remote island that lies just off the eastern coast of the Isle of Skye in the western Highlands of Scotland. The population of Raasay was 192 at the most recent census. The islands' only public transport connection with the mainland is via the ferry which connects the island with the Isle of Skye, taking approximately 25 minutes. As the Isle of Skye is now connected to the mainland via the Skye road bridge, once off the ferry, you are then approximately 102 miles west of Inverness, 95 miles north of Fort William and 203 miles north of Glasgow by road.

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

## 2.00 Description

2.01 As the subjects have been valued on a Desktop basis, an inspection has not been carried out to assess the buildings construction type. However, the client has provided photographs in which it appears the building is of stone wall construction with a slightly pitched flat roof, clad with profile metal sheeting. The rainwater goods appear to be of uPVC type, whilst the windows appear to be of uPVC frame and double glazed type. Internally, the subjects appear to have walls and ceilings of plasterboard material, whilst the flooring appears to be of stone tile type.

2.02 An Ordnance Survey extract appends the rear of this report as **Appendix 3**.

## 3.00 Accommodation

3.01 As the subjects have been valued on a Desktop basis, an inspection has not been carried out to measure the property. However, the client has provided plans which we are relying on for the basis of our valuation. Those plans indicate that the subjects have a Net Internal Area of the following, in line with the RICS Code of Measuring Practice (6<sup>th</sup> Edition):-

Area	Sq.m (NIA)	Sq.ft (NIA)
Waiting Room	20	215
Store	11.50	124
Office / Tea Prep	16	172
<b>Total</b>	<b>47.50</b>	<b>511</b>



3.02 From the plans provided by the client, the accommodation can be summarised as follows:

Ground Floor: Outdoor Terrace / Entrance Area, Waiting Room, Female WC, Male WC, Store, Office and Tea Prep Area.

3.03 Having not attended the property, and/or seen a Title Plan, we were not able to assess the indicative boundaries of the site of the subjects. However, according to the online Promap Digital Mapping System, the subject site appears to extend to approximately 0.02 hectares / 0.06 acres or thereby.

## 4.00 Services

4.01 For the purpose of this Desktop Valuation, we have assumed that all mains services are connected to the subjects and are in working order.

## 5.00 General Condition and Remarks

5.01 We have not inspected the subjects and cannot comment on the present condition, although we note from the photographs provided, that the decoration of the main building appears to be relatively modern and is in little need of modernisation. For the purposes of this valuation, we assume that the subjects are in reasonable order and do not require any immediate repairs. If it is later discovered that there are significant defects that require immediate repairs, then we reserve the right to amend our valuation accordingly.

### 5.02 **Flooding**

The SEPA Flood Map indicated that the subject property lies in an area that may be at risk from coastal flooding. We 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 4**.

### 5.03 **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.

5.04 **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 understood and assumed to be held on the basis of outright ownership of the heritable interest.

7.00 **Statutory Enquiries**

7.01

<b>Current Use</b>	Ferry Terminal Building
<b>Local Plan</b>	West Highlands and Islands Local Development Plan (Adopted 2019)
<b>Zoning</b>	No specific zoning.
<b>Listed Building</b>	No
<b>Conservation Area</b>	No
<b>Rateable Value</b>	Not available
<b>Uniform Business Rate</b>	The current rate poundage is understood to be £0.498/£ Rateable Value, excluding water and sewage charges (Financial Year from April 2020)





with the large business supplement being £0.13, only paid by businesses with a Rateable Value between £51,000 to £95,000 and £0.26 over £95,000.

- 7.02 It is assumed all that 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 Tenure



9.01 Although we are aware that there are tenancies in place on the subject property, we have disregarded these for the purpose of our valuation, at the request of the client.

## 10.00 Evidence and Valuation Methodology

In order to calculate the Market Value of the subject property with Vacant Possession, we have adopted the comparable basis of valuation. We have considered comparable sales and rental evidence for similar properties around other comparable Highland locations. This evidence is set out below:

### 10.01 Market Rent

Address	Area (sq.ft)	Rate (£psf)	Date	Comments
Former Booking Office, Armadale Pier, Armadale, Sleat, Isle of Skye	536	£9.20	Mar 2013	Former ferry terminal let for public use. Good comparable. Poorer quality building in arguably better location.
Retail Unit, Auchtercairn Road, Gairloch	2,428	£8.24	Oct 2014	New letting to Martin McColl Retail Group. Similarly rural location but bigger than subjects.
Durness Tourist Information Centre, Durness	1,157	£8.90	Aug 2017	Let to Visit Scotland after the landlord had served notice on them. Similarly rural location and also included public toilets.
2 Latheron Lane, Ullapool	531	£11.77	Aug 2014	New letting to undisclosed client. Similar size to subjects in slightly better location.
The Bridge Café, Fort William Road, Spean Bridge	1,501	£13.32	Feb 2019	New letting for 5 years on FRI terms. Better location than the subjects but also bigger.



With reference to the above rental evidence, we have adopted a rental rate of £10 per sq ft to the waiting room and office areas which measure a total area of 387 sq ft (NIA) and a rental rate of £8 per sq ft to the store which measures 124 sq ft. This gives a Market Rent for the subject property of £4,862 per annum.

10.02

#### Market Value (Vacant Possession)

Address	Area (sq.ft)	Rate (£psf)	Date	Comments
Daviot Tourist Office, Daviot, Inverness	1,789	£53	Aug 2018	Property sold for £95,000 to a property company. Similar style of property with retail space and toilet facilities included. All the land around the property was owned meaning access was an issue. Significant reduction in price agreed as a result.
The Bridge Café, Fort William Road, Spean Bridge	1,906	£86	Jan 2015	Property was in poor condition. Better location than the subjects but also bigger.
Assynt Visitor Centre, Lochinver	2,734	£59	Sep 2019	VP Sale. Purchased by a private occupier for £160,00. No parking or land included like assumed with the subjects.

10.03

#### Valuation Methodology

In order to arrive at the Market Value of the subject property with Vacant Possession we have capitalised our opinion of the Market Rent of £4,862 per annum with a Vacant Possession yield of 11%. We have also incorporated assumed void costs and tenant incentives in to our calculation. This gives a resulting gross value of £41,590. We have then deducted purchasers costs at 1.8% and LBTT. This gives a Market Value of £40,710 which we have rounded to £40,000. As a cross check this equates to a capital rate of £78 per sq ft which is in line with our expectations and the comparable evidence above.

We understand that there is currently an informal agreement in place to allow CMAL occupation of the office space within the building. We also understand that CMAL wish to formalise their occupation with a lease. If the owner of the property was able



to agree say a 5 year or 10 year lease with CMAL then this could increase the Market Value of the subjects as it would have higher investment potential. Given the location of the property and the lack of alternative accommodation nearby, there may also be an opportunity to charge CMAL a premium rent, thus increasing this potential value.

## 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 the Market Value of the owner's interest in the heritable property be fairly stated in the sum of:-

<b>Market Value (Vacant Possession)</b>	<b>£ 40,000 (FORTY THOUSAND POUNDS STERLING)</b>
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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 Valuation Certainty

12.01 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. There is a large degree of uncertainty as to how this outbreak will affect the wider global economy and its sub-markets. Travel restrictions have been implemented by many countries.

12.02 Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

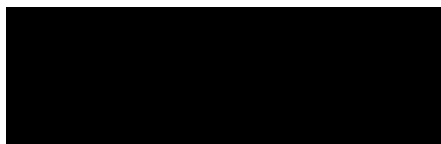


12.03

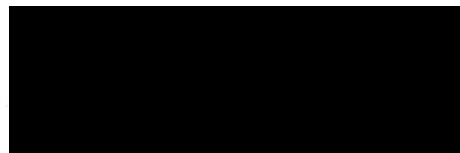
Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

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

### Terms and Conditions of Engagement Letter

**GRAHAM + SIBBALD**

Raasay Development Trust Limited  
Raasay Community Hall  
Inverarnish  
Isle of Raasay  
By Kyle  
IV40 8PB

F.A.O: Elizabeth Macleod - Local Development Officer

Our Ref: CM/INV-2020\12\0043

Date: 23/11/2020

Dear Madam

**Raasay Ferry Terminal Building, Clachan, Isle of Raasay IV40 8PB**  
**Customer: Raasay Development Trust Limited**  
**Conditions of Engagement for Commercial Valuation**

We refer to your emailed instructions to Charlie Lawrence dated 20<sup>th</sup> November 2020 and in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards ('the Global Red Book') and having regard to the UK National Supplement we confirm the following:-

- 1. Instructions** - We have been instructed by you to prepare a Desk Top Valuation (Pounds Sterling) as at the report date for the purpose of proposed purchase.
- 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 £750 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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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 this letter with the following acknowledgement duly completed or alternatively email your acceptance.

Yours faithfully



**Callum Maclean**  
Graduate Surveyor  
T: 01463 236977  
E: [callum.maclean@g-s.co.uk](mailto:callum.maclean@g-s.co.uk)

Enc.

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

Signed: .....

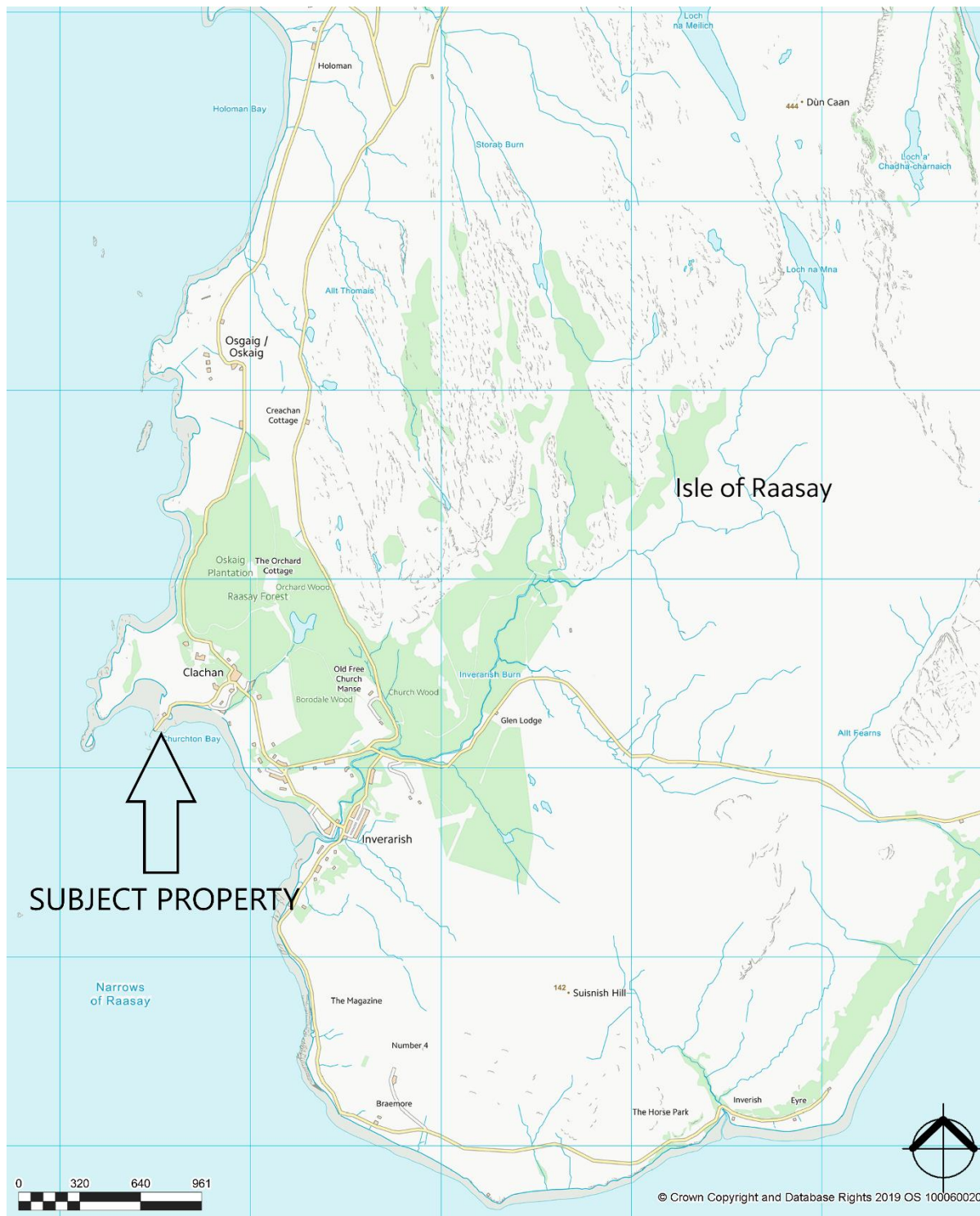
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## Appendix 2.00

### Location Plan



**SUBJECT PROPERTY**

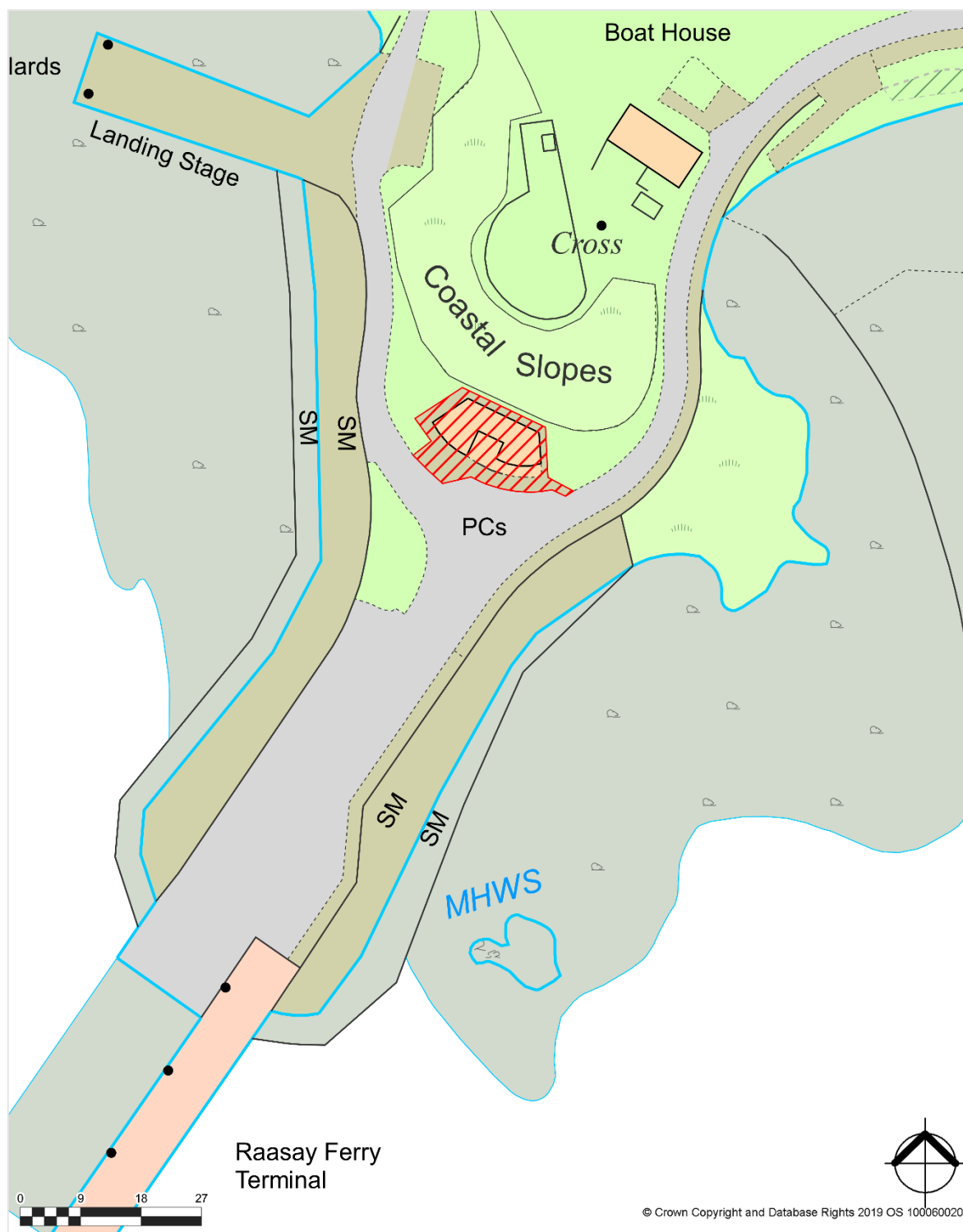
This plan is published for convenience of identification only and although believed to be correct its accuracy is not guaranteed.





# Appendix 3.00

Ordnance Survey Extract



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



# Appendix 4.00

## SEPA Flood Map

