



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

**Valuation Report for
Former Cowbridge Girls
Grammar School
Aberthin Road
Cowbridge**

Report for:
[REDACTED]
Hafod Housing Association

Prepared by:
[REDACTED] MRICS
Senior Surveyor
RICS Registered Valuer
DVS

Tel: [REDACTED]

[REDACTED]

Case Number: [REDACTED]

Date: 14 July 2023

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1. Introduction

I refer to your instructions dated 25 October 2022 and my Terms of Engagement dated 10 November 2022.

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

Hafod Housing association.

2.2 Purpose of Valuation

It is understood you require a valuation of the subject property in relation to its potential acquisition and redevelopment. This valuation may also be used for the purpose of submitting a grant claim to Welsh Government.

2.3 Subject of the Valuation

Former Cowbridge Girls Grammar School, Aberthin Road, Cowbridge

2.4 Date of Valuation

The date of valuation is 22 February 2023.

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 valuation is undertaken on the basis that residential planning permission is granted.

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.

- Completed DVS pro forma
- Breakdown of build costs received via tender
- Previous DVS reported dated September 2019

2.10 Date of Inspection

The inspection was undertaken by [REDACTED] 10 November 2022

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 external inspection only 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 outgoings.
- 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.

- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.

3. Property Information

3.1 Situation

The site is located on Aberthin Road which is situated to the east of the centre of Cowbridge. The site sits adjacent to the large new Cowbridge comprehensive school and there are some residential dwellings opposite. The Cowbridge bypass runs above the site on the north eastern boundary which provides easy access to both Bridgend to the west and Cardiff to the east. Cowbridge town centre houses all of the necessary amenities including access to public transport and a large supermarket.

3.2 Description

The site is a 1.30 acres parcel of relatively flat rectangular shaped land. There is a trench to the rear of the site along the boundary. The site accommodates a large former school building with an attached outbuildings both are of stone construction with a pitched tiled roof. The school building is two storeys with the outbuilding being single storey. The site has been derelict for some time and there is evidence of both fire damage and vandalism. The site has road frontage onto Aberthin Road and while there is a layby to the front of the property there is no established vehicular access. The site is overgrown in parts and tarmacked in parts. There is no fencing to the north denoting the boundary but I am advised that it is in line with the Cowbridge bypass which sits overhead. There are residential properties at the boundaries to the south and west.

3.3 Tenure

Freehold with vacant possession.

3.4 Easements and Restrictions

I have been informed that the site has a 10 meter no build zone from the edge of the A48, tree root protection zones and drainage easements.

3.5 Site Area

1.30 acres (0.53 hectares)

3.6 Defects and Repair

The property has been unused for some time and there appears to be some fire damage to the property. There is also evidence of vandalism within the property.

The property has been vandalised internally predominantly on the ground floor with lesser signs on the upper floors.

Externally the property is in a reasonable condition and all windows and doors have been boarded with the access points on the ground level being reinforced.

3.7 Services

It is assumed that all mains services are available within the vicinity of the subject site.

3.8 Access and Highways

The subject site has road frontage onto Aberthin Road which is assumed to be maintained at public expense.

3.9 Planning

Planning consent (2018/01408/FUL) was granted with a conditional basis on 9 June 2022 for "Proposed demolition of existing school, development of 34 dwellings (30 flats and four houses) and associated works including the construction of bespoke bat roost, access/parking and landscaping".

3.10 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.

3.11 Mineral Stability

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

3.12 Environmental Factors Observed or Identified

Asbestos may be present in the construction of the former school. While this material remains intact and in good condition the asbestos fibres are likely to be safe but specialist advice should be sought in the event of alteration, maintenance or demolition.

4. Valuation

4.1 Valuation Methodology / Approach and Reasoning

RICS Valuation of Development Property October 2019 requires that two approaches be adopted when considering the value of land suitable for development:

1. The residual method; and,
2. The comparable method

Development land is normally valued with first reference to the Residual Method of valuation, and the results of the assessment are then considered in conjunction with sales of comparable development sites and land (wherever available). This approach

has been used in this case, testing appraisal inputs where possible against any market related evidence and using our knowledge of the inputs likely to be adopted by market participants.

Residual valuations are usually run through electronic development appraisal models. These appraisal models are typically provided in the form of a simple residual equation usually expressed in one of two principal forms:

- a) Gross Development Value less development costs (including land value) equals residual profit, or
- b) Gross Development Value less development costs (including profit requirements) equals residual land value.

Method (a) is adopted in most development appraisals, where the site has already been secured and the land cost nil, while method (b) is the most traditional method (used in some toolkits, i.e. the Homes and Communities Agency's Economic Appraisal Tool and Three Dragons Toolkit) are often used where final land value is yet to be determined, as in this case.

I have also had regard to RICS Guidance Note 'Valuation of land for affordable housing' (2nd edition April 2016).

Your instruction is for DVS to provide a valuation report of the Market Value for the site.

My report is provided to you as the named clients, but I acknowledge it may be used to support an application to the Welsh Government for funding purposes. The establishment of this funding is a reflection of the fact that some developments of affordable homes require additional funding in order to compete with the market. This is so they are both financially viable and deliverable.

Typically, when an affordable development viability and deliverability becomes threatened by cost pressures, the most common cost pressures are usually abnormal / exceptional development costs or land prices (whether driven by a site existing use value or by competition with private developers / investors considering alternative site uses). There is a relationship between these costs to the development, the funding available and the development viability and deliverability. In short, where significant development cost pressures exist, Government funding can "unlock" viability issues and enable deliverable or affordable housing developments.

One of the most challenging aspects of development viability is the relationship between land values and available funding. If a rigid system of funding were adopted (where arithmetical funding calculations were applied without wider considerations) the risk would be that the schemes which did not require full funding, would create a funding surplus and schemes that require above average funding would still have a funding shortfall.

The same principles apply to the valuation of land for affordable housing; if a rigid approach (but considering only the affordable housing scheme in isolation) were adopted, then in some cases the government funding would be unable to bridge the funding gap and the development would not be delivered. In other cases, the land valuation may sit artificially higher than the market value (for competing uses) and

lead to a land acquisition at prices inflated above the market value for the available funding. Therefore, in our view, the land value has to reflect both the specific affordable housing development proposed and the wider site valuation factors. Such an approach ensures that the public sector will not pay inflated land prices, but will endeavour to purchase sites and deliver affordable development wherever it reasonably can.

Development proposal

Hafod have proposed 34 units for the site and to be 100% social housing with 4 x flats with wheelchair supplements.

The proposed scheme is set out below:

Number of units	Weekly rent	Rent £	Sqm
24	1 bed flat & sqm		66
6	2 bed flats & sqm	Redacted	72
1	2 bed houses & sqm	FOIA	86
2	3 bed houses & sqm	£.43	94
1	4 bed houses & sqm		123
34	Total		

The site has been valued on the basis of the development proposals reflecting the suggested density level of 20 units as stated within the LDP. The RSL are proposing to put over double that figure on to the site with the majority of them being 1 and 2 bed flats. Planning has been approved with Vale of Glamorgan (VoG) at committee in June 2022.

It is my opinion that a prudent developer would aim to achieve market sales on all residential units, and this is the approach that I have taken in my residual valuations reflecting a market development. I have elected to model my market scheme upon a comparable development of similar size and location to the subject. In respect of the affordable housing, I have had regard to the planning guidance as stated above.

The predominantly flatted scheme does not in my view sit within what is currently provided within the locality. In my view, it would be unlikely that private developer were to build a scheme similar to what the RSL are proposing, or which had as many flats. I believe that a scheme with 2, 3 and 4 bed properties is more reflective of the locality.

No of units	Type	Size (m2)
2	1 bedroom flat (affordable housing)	53
4	2 bedroom terraced house (affordable housing)	83
2	3 bedroom semi-detached house	94
10	4 bedroom detached house	123
20		Total

The comparables used to derive these market values can be found in 4.2 below.

There is a wide range of evidence of 2 bedroom properties and the range is quite extreme. Currently listed on Rightmove are two homes listed from the end of 2022 with guide prices ranging between £215,000 for a terraced property to £224,500 for a semi-detached dwelling. However, the subject land is situated in a more desirable location so higher sales values would be expected. Evidence of recent sales within the past 18 months range between £225,000 to £350,000. I am mindful that the sales towards the upper end of the scale are large, detached properties which measure over 100sqm. The two sales towards the lower end of the scale are more of a similar size with what is being proposed on the subject site, but they are older properties, built within the 1980's. Having regard to all of these sales I am of the opinion that the market value of a 2 bed terraced is fairly represented at £280,000.

The sales range of 3 bed properties are between £299,995 and £477,501. The sales towards the upper end of the scale are large properties measuring over 100sqm. Currently listed for sale are new homes at [REDACTED], St Athan, which is just 3 miles from the subject site. These properties are listed between £281,995 to £315,500. However, Cowbridge is a more desirable area and as such achieves a higher sales price compared to those located in St Athan.

I am of the opinion that the best evidence are the sales at [REDACTED] and [REDACTED]. These properties are on a new housing development in close proximity to the subject and achieved sales from £305,000 to £320,995 within the last year. Having regard to both of these sales I am of the opinion that the market value of a 3-bed house is fairly represented at £350,000.

The majority of properties in the new development at [REDACTED] offer 4 bedroom detached properties for sale with a range between £435,000 to £550,000, depending on the size of plot and dwelling. These properties are larger than what is proposed and of an executive standard which are not replicated on the subject site. The proposed development for the subject site suggests a 4 bed dwelling of a similar size of the lower end of these comparables. As these provide the best comparable guide, I will base my opinion of value on this estate. Therefore, I am of the opinion that the market price for a 4-bed dwelling would be £440,000.

I am of the opinion that a private developer would consider building both 3 and 4 bed semi and detached properties in the locality instead of flats. While this will mean fewer units on the site it is more in keeping with what is in the locality.

Summary/Decisions on value:

After considering the comparable evidence, I have assumed the following market values for the properties in the scheme:

Unit Type	Area sqm	Value
2 bedroom house	83	£280,000
3 bedroom house	94	£350,000
4 bedroom house	123	£440,000

Affordable Housing Policy

For the market scheme the affordable requirements are as follows:

A 40% requirement for affordable housing. This figure is then split between tenures 70% for social rent and 30% for LCHO - which will be sold at a minimum of 70% OMV. The LA like to round up and so 10 affordable units will need to be provided on site.

S.106 contributions:

The client has provided S106 costs as [REDACTED] however this is reflecting a site which would be 100% affordable housing.

Given the uncertainty regarding the future of the Community Infrastructure Levy Regulations 2010 (as amended) and the devolved powers Welsh Government inherited to modify existing secondary legislation in April 2018, the Vale of Glamorgan Council's Cabinet (on 24th April 2017 Minute C3546) agreed that, until there is a clear direction from the Welsh Government, progress on CIL in the Vale of Glamorgan is to be placed into abeyance. In the meantime, the Council will continue to use planning obligations secured through section 106 agreements to secure necessary infrastructure associated with new developments.

For the hypothetical scheme, I know from experience that S106 for Vale of Glamorgan are approximately £17,995 per dwelling. Although this is often contested as this is exceptionally high in line with other local authorities and would make the developments unviable. In line with other developments, I consider [REDACTED] per unit is an appropriate level of S106 to be adopted.

BCIS:

I have adopted build costs that derive from BCIS; these costs have been filtered to Vale of Glamorgan and rebased over 5 years to Q1 2023.

BCIS analysis does not include the cost of sprinklers as required under the Domestic Fire Safety (Wales) Regulations. The Valuation Office Agency's quantity surveyors advise a cost of £30/m2.

Source	House £/sqm	Flat £/sqm
BCIS Lower Quartile	£1,152	£1,289
BCIS Blended rate	£1,225	£1,372
BCIS Median Quartile	£1,298	£1,455

Abnormal costs:

I am advised of a figure relating to abnormal at [REDACTED] and I have been advised that it relates to:

[REDACTED]

The client has not provided additional explicit ecology costs associated with the bat house and slow worm relocation. I will reserve right to review this at a later date if these costs are subsequently provided.

Build Cost contingency:

I have adopted 5% contingency to incorporate the uncertainties of the site and build risk as it is a brownfield site.

External Works:

I typically adopt 5 to 15% for external works depending on the nature of the development. I have considered 15% for external works to reflect this scheme.

Profit:

I have adopted a developers profit for the housebuilder scheme at the following rates

- Open Market Housing at 17.5%
- Affordable housing at 6%

Build and sales period:

I have adopted a build period of 18 months, plus a 3 month lead in period. I have assumed 70% of the flats are sold off plan and the remainder selling over subsequent 3 month period.

Finance:

Due to the current economic conditions, I have adopted a finance cost interest rate of 7% which assumes 100% debt financed.

Land Comparables:

The comparable evidence of development land sales in the area, shown in section 4.2 below, suggests land values between c£300,000 and £1,500,000. These reflect development land sales within South Glamorgan, Bridgend and Cardiff. Every development site has its own individual needs and abnormal costing which impact the valuation a great deal. The sites land value is also linked to the possible density of a scheme which is proposed for development. I am of the view that the subject land would achieve a land value towards the mid to top end of the evidence range.

Reflection & Reasoning:

Within my appraisals reflecting a market scheme I have adopted a BCIS build cost within the median quartile range. I have included an addition for sprinklers as per the Domestic Fire Safety (Wales) Regulations. I have included abnormal costs as provided by your Association reflecting [REDACTED]. As mentioned previously, the abnormal costs do not explicitly identify the additional ecology costs associated with this development. I have adopted the agreed financial S106 contribution as detailed above at [REDACTED] per unit. These appraisals produce a range per acre between [REDACTED] and [REDACTED]

The comparable evidence of development land sales in the area suggests development land values per acre between c.£300,000 and £1,500,000. These sales reflect both smaller and larger residential development sites with purchases by smaller house builders and well established and larger housing building organisations.

Summary:

Having regard to both approaches, I am of the opinion that the market value of this site is £1,250,000 (£961,538/acre).

4.2 Comparable Evidence

Residential Dwelling:

Pertinent Date	Address	Consideration	Type	EPC area	Bedrooms
For Sale	[REDACTED], ST ATHAN	Asking price £224,500	HS		2
For Sale	[REDACTED], LLANTWIT MAJOR	Asking price £215,000	HT		2
Jun-22	[REDACTED], COWBRIDGE	£277,500	HT	101	2
Jan-22	[REDACTED], COWBRIDGE	£335,000	HD	99	2
Nov-21	[REDACTED], COWBRIDGE	£350,000	HD	122	2
Nov-21	[REDACTED], COWBRIDGE	£274,000	HD	61	2
Sep-21	[REDACTED], COWBRIDGE	£225,000	HS	59	2

Pertinent Date	Address	Consideration	Type	EPC Area	Bedrooms
Dec-22	[REDACTED], COWBRIDGE	£410,000	HE	115	3
Aug-22	[REDACTED], COWBRIDGE	£412,000	HD	97	3
Jul-22	[REDACTED], COWBRIDGE	£307,995	HD	79	3
Jun-22	[REDACTED], COWBRIDGE	£320,995	HD	79	3
Jun-22	[REDACTED], COWBRIDGE	£299,995	HS	81	3
May-22	[REDACTED], COWBRIDGE	£477,501	HD	116	3
Mar-22	[REDACTED], COWBRIDGE	£308,000	HT	98	3

Pertinent Date	Address	Consideration	Type	EPC Area	Bedrooms
Dec-22	[REDACTED], COWBRIDGE	£574,995	HD	153	4
Dec-22	[REDACTED], ABERTHIN, COWBRIDGE	£529,995	HD	138	4
Nov-22	[REDACTED], COWBRIDGE	£455,000	HD	110	4
Nov-22	[REDACTED], COWBRIDGE	£504,995	HD	138	4
Oct-22	[REDACTED], YSTRADOWEN, COWBRIDGE	£575,000	HD	146	4
Oct-22	[REDACTED], COWBRIDGE	£479,995	HD	128	4
Oct-22	[REDACTED], COLWINSTON, COWBRIDGE	£465,000	HD	127	4

Land Comparables:

Pertinent Date	Address	Asking Price	Consideration	Acres	£/acres
Nov-22	[REDACTED], ST MELLONS, CARDIFF		£1,205,000	1	£1,205,000
Jul-22	[REDACTED], BRIDGEND		£300,000	1	£300,000
Dec-21	[REDACTED], CARDIFF		£4,818,505	5	£963,701
Jan21	[REDACTED], BRIDGEND		£400,000	0.26	£1,538,462
Oct-20	[REDACTED], BARRY SOUTH GLAMORGAN	£675,000		0.80	£843,750

Sep-20	[REDACTED], SOUTH GLAMORGAN	£425,000	0.82	£518,293
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4.3 Opinion of Value

I am of the opinion that the Market Value of the freehold interest in Former Cowbridge Girls school is **£1,250,000** (one million four hundred and fifty thousand pounds) as at 22 February 2023.

4.4 Currency

All prices or values are stated in pounds sterling.

4.5 VAT

I understand that VAT does not apply to this transaction and my opinion of value reflects this. In the event that my understanding is found to be inaccurate, my valuation should be referred back for reconsideration.

4.6 Costs of Sale or Acquisition and Taxation

I have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation, whether actual or notional, that may arise on disposal.

5. **General Information**

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by [REDACTED], a RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

In addition, [REDACTED] provided research and inspection assistance in the capacity of senior surveyor. Formal case review was undertaken by [REDACTED] MRICS in the capacity of a principal surveyor and sector leader.

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. As previously disclosed, DVS has had previous material involvement with the property, which has been drawn to your attention. The details are as follows: DVS have previously valued the site (Ref: [REDACTED]), which was undertaken by [REDACTED] on 29 November 2019. I confirm that this does not impact on my overriding obligation to act with independence and objectivity.

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.

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.

Identity and status: The valuer responsible for the valuation is [REDACTED].

Report reviewed by: [REDACTED]

Checked by [REDACTED]

[REDACTED] MRICS
Surveyor
RICS Registered Valuer
DVS

Date: 14th July 2023

Signed

[REDACTED] MRICS
Senior Surveyor
RICS Registered Valuer
DVS

6. Appendices

6.1 Plans

