

**REPORT FOR
CAMBRIDGESHIRE FIRE & RESCUE
SERVICE**

**Disposal Options and Marketing
Strategy in Respect of**

**Freehold Property at
Hinchbrook Cottage,
Brampton Road,
Huntingdon, PE29 2NA**



1. EXECUTIVE SUMMARY

- **Instructions and Basis of Report:**
To consider method of sale, potential end users, pre-marketing and marketing recommendations, timing considerations, pricing and disposal options in respect of the subject property. This is not a formal valuation report.
- **The Property:**
Existing office buildings set back on an irregular, wooded site. An improving location, particularly once the A14 viaduct is dismantled post 2019. Mostly outdated cellular office accommodation in a range of building types. Total NIA around 14,322 sq ft and total site area around 4.05 acre, of which around 2.0 acres is useable.
- **Planning Background:**
The Huntingdon West Area Action Plan seeks to promote a range of mixed uses. Suitable uses could include commercial offices, institutional, nursing/care home, hotel and residential. Major constraints include tree protection and conservation area status. We recommend an early meeting with HDC planners to establish planning parameters.
- **Market Sectors:**
The most likely demand will come from conversion to residential, new build residential, continued office use, hotel and healthcare/education.
- **Appraisal and Pricing:**
We consider office occupiers may pay in the order of £1.0 - £1.15 million, for residential conversion in the order £1.25 - £1.5 million, and for new build residential around £1.5 million. Care home site value could be around £1.5 million.
- **Marketing Strategy:**
We recommend the compilation of a full pack of background information prior to marketing. The property should be offered 'as is' to the market seeking conditional or unconditional offers. Conditional offers are likely to be higher. Allow around six months for unconditional sale and up to 15 months for a conditional sale (subject to planning). A full targeted marketing campaign is advised with a budget cost £5,000 - £7,500 plus VAT.

Agents sale fees would be calculated at 1.5% of the sale price.
- **Conclusion:**
An interesting opportunity likely to generate interest from a range of user types, most likely to be sold for residential or care home development.

2. INSTRUCTIONS AND BASIS OF REPORT

In connection with the possible relocation of the Fire Service HQ, Training Centre and operational Fire Station in Huntingdon, we are asked to consider the disposal strategy for the current headquarters building at Hinchingsbrooke Cottage.

This report will consider the method of sale, potential end users, pre-marketing recommendations, timing issues and likely sale proceeds. We will consider some alternative disposal options.

Please note that this is not a formal valuation and is provided for guidance purposes only. The Practise Statements of the RICS Valuation Appraisal Manual ("The Red Book") do not apply.

We have had regard to information provided including a formal valuation report carried out by Messrs Barker Storey Matthews, dated 23rd July 2013, floor plans and title plan. Cheffins has previously supplied some planning appraisal background in respect of this property in a report dated 30th October 2014.



3. THE PROPERTY

a) Location

Located to the west of Huntingdon Town Centre on the northern side of Brampton Road, close to Huntingdon Railway Station and the A14 trunk road viaduct.

The property itself is set back from the main road within an area of fairly dense woodland and is accessed via a long private access drive, partly shared with the neighbouring Cambridgeshire Police Headquarters.

This is a mixed use location including large institutional occupiers including Police HQ, Hinchingsbrooke Hospital and Hinchingsbrooke School. There are also nearby commercial and residential uses.

Huntingdon is undergoing something of a regeneration with a new inner link road having recently been completed which has opened up development opportunities on the west side of the town centre. The A14 viaduct is due to be demolished within the next few years which when completed will improve the amenity of the subject property. This work is due to be tendered in 2019.

b) Description

The property comprises the original Hinchbrook Cottage (built 1892) plus its former stables and outbuildings, which have all been converted to office and ancillary uses. To the rear is a two storey purpose built office extension (built 1985) connected by way of ground floor link. A further extension was built in 1995.

The buildings occupy a large irregular shaped site which is densely wooded in parts, and there is provision for around 72 car parking spaces.

The office accommodation is highly cellular in nature with a good deal of unusable space, and could be considered unsuitable for many current commercial occupiers.

c) Floor Areas

We have taken the net internal floor areas from the formal valuation report provided to us as follows:

Description	Sq M	Sq Ft
The Cottage		
Ground Floor	193.04	2,078
First Floor	165.46	1,781
Second Floor	46.83	504
Coach House		
Ground Floor Offices	85.54	921
Plant Rooms	44.90	483
First Floor Offices	70.07	754
Kitchen	6.22	67

Detached Building

Ground Floor Offices	45.10	485
Store	30.70	330

Rear Office Extension

Ground Floor

Plant Room	74.36	800
Kitchen and Store	25.78	277
Tea Point	5.12	55
Dining Hall and Conference Rooms	174.84	1,882

First Floor

Offices	178.37	1,920
Rest Room/Canteen	27.97	301
Store	1.00	11

Side Offices

Ground Floor	84.10	905
First Floor	71.39	768

TOTAL NIA 1,330.79 14,322

We understand that the total gross internal area is in the region of 1,870 sq m (20,120 sq ft).

The total site area is around 1.8 hectares (4.05 acres) of which around 0.8 hectares (2 acres) or thereabouts is in operational use.

d) Services

We have not made enquiries into service connections at the property but assume that all mains services are available.

e) Tenure

We understand that the property is owned freehold and that vacant possession can be provided upon completion of a sale.

We are not aware of any restrictive covenants or other matters affecting title which may impact on the marketability of the property.

We would recommend that prior to offering the property for sale that your solicitors are instructed to provide a report on title.



4. PLANNING BACKGROUND

a) Policy

The Huntingdon Core Strategy was adopted in 2009. There is an emerging Local Plan which is at draft stage. Within the emerging Local Plan Policy Allocation HU6 (Constabulary Land at Hinchingsbrooke Park) is deemed suitable for mixed use development. The Policy Allocation HU7 (Land west of railway, Brampton Road) is promoted for employment development.

The subject property sits between these two allocations.

The Huntingdon West Area Action Plan was adopted in February 2011. This is the principle planning policy document for the area around the subject property. Its aim is to promote environmentally friendly development providing homes, work and leisure opportunities close together, linked by pedestrian, cycle and public transport routes.

There are currently general permitted development rights available allowing offices to change use to residential without planning permission, subject to a prior approval process granted by the Local Planning Authority. This has enabled many existing office buildings to be converted with the advantage of there being no requirement for affordable housing or Community Infrastructure Levy (CIL). Originally, this permitted development opportunity was time limited and was due to expire in May 2016, however a recent Government announcement states that this right will become permanent. Moreover, the right may be extended to include demolition of offices and redevelopment with residential buildings. The details of these policies are only currently emerging, but may well be relevant considerations in respect of the disposal of this property.

b) Potential Uses

We would consider the following types of use to be potentially suitable at the subject property (subject to any necessary planning permissions):

- Commercial (office and ancillary)
- Institutional (healthcare, education or other public service related use)
- Institutional residential (e.g. key worker/student accommodation)
- Nursing/care home/sheltered accommodation
- Hotel/tourist accommodation
- Private housing led scheme (conversion or new build).

c) Constraints

The site has a number of development constraints including:

Heritage – the buildings are not listed, but are situated within a conservation area, and the original Hinchingsbrooke Cottage is considered a building of historic interest. Its demolition may therefore be resisted.

Trees - There are a number of specific trees with Tree Preservation Orders (TPOs), in addition most of the remaining trees are protected under a Tree Preservation Group.

Access - A change of use may require an improved/upgraded access into the site.

Noise – The proximity of the viaduct and the mainline railway line may impact on a residential led scheme.

We would recommend that pre-application advice is sought from the Local Planning Authority (LPA) to seek to establish the range of potentially suitable uses which could be available and discuss specific planning constraints.

5. MARKET SECTORS

The property could be suitable for a number of possible end uses, the most likely of which are considered below:

Continued Office Use – the existing buildings, due to their size and layout, are unlikely to be suitable for many commercial businesses. The buildings are not easy to sub-divide into separate self-contained letting units. Although there are likely to be few requirements suitable for this property in the market, it is not inconceivable, given the proximity of the property to other institutional occupiers, that there could be demand linked to a healthcare, education or other public service occupier.

Conversion to Residential – this could be for a private residential led scheme or potentially for keyworker, educational or healthcare related accommodation. It is noted that there has previously been interest expressed in the property for nursing accommodation.

As noted above the permitted development right for office to residential conversion has been extended beyond May 2016 and this could help generate a higher value for the property.

Once the A14 viaduct has been demolished (post 2019), this should lead to increasing residential values in this location.

Nursing/Care Home/Sheltered Accommodation – Care Home operators have been active in the Huntingdon market recently. Although the layout of the current buildings may not be suitable for conversion to this use, the site may be attractive for the development of a purpose built facility.

New Build Residential Scheme – the site would be suitable for a new build residential scheme, particularly post A14 viaduct demolition, however the constraints of TPO's and the possible protection of the original cottage building will restrict the development potential.

Hotel/Tourist Accommodation – although there is potential in planning terms for this kind of re-use of the property, we are doubtful that there would be demand in the market from operators.

Healthcare/Education – the existing buildings may suit some form of public or private healthcare establishment or an educational, use; we are not aware of any such requirements currently but through marketing it is possible that enquiries may come forward.

With the exception of the continued use of the property as offices, the other uses noted above will all require planning permission.

6. APPRAISAL AND PRICING

a) Offices

Recent freehold office transactions in the Huntingdon area indicate values ranging from £45 to £120 per sq ft (NIA) for larger office buildings depending on specification, age and location. The supply of available buildings is reducing but there are generally few large enquiries in the market at any one time.

Adopting an overall rate in the range of £70 - £80 psf in respect of the subject property produces a value of around £1 - £1.15 million for continued office use.

b) Residential Conversion

The value for residential conversion will depend on a number of factors and without a detailed scheme and cost plan it is difficult to advise with any great accuracy. However, from initial appraisal, based on the re-use of all the current buildings we consider that the property, with planning permission, might achieve a price in the order of £1.25 - £1.5 Million, and possibly more if it can be developed under permitted development legislation.

c) Residential New Build

Recent land sales for residential development in Huntingdon show a range of values from around £500,000 to over £1 million per developable acre. A nearby site of around 2.42 acres (gross) off Edison Bell Way is understood to be under offer to a developer a price reflecting in excess of £1 million per acre. The site has outline planning permission for 84 residential units. CIL and S106 payments are applicable, but no affordable housing was required due to the high costs of developing the site.

In appraising the value of the subject site for residential redevelopment it must be borne in mind all the constraints outlined above and the assumption that there will be a requirement for up to 40% affordable housing.

We consider the site should achieve a price in the order of £1.5 million with planning permission for residential redevelopment. This assumes the ability to demolish the existing buildings and develop out around two acres for housing.

If the requirement for affordable housing was reduced or if a greater density of development was achieved then this would increase the value of the property.

d) Care/Nursing Home

There have been two recent land transactions in Edison Bell Way, Huntingdon to care home operators which reflect land values between £1.1 and £1.5 million per acre. Both sites were cleared, highly visible and closer to the town centre than the subject property. Many operators require prominence and proximity to town centre amenities for their new developments.

If there is demand from operators for the subject property, we would hope to achieve a price in the order of £1.5 million, for the site cleared of buildings and with planning permission.

e) Summary

The above figures are given for guidance purposes only and do not constitute formal valuation advice.

We have adopted a relatively conservative approach to value which reflects the uncertainty over some key development issues and the requirement to provide robust advice to allow confidence in business planning and budgeting.

Dependent on market conditions at the time of marketing the property and the range of planning uses which could be available we would expect the property to sell for a price in the range of £1.0 - £1.5 million.

It is hoped that with a successful marketing campaign and continued market improvement this range of value could be exceeded upon sale.

7. MARKETING STRATEGY

a) Pre-marketing Stage

There are a number of actions we would recommend prior to offering the property to market which will inform the marketing strategy and assist in the sale process:

Pre-application Planning Advice – it is important to understand the LPA's position in respect of key planning issues, including the type of uses which could be allowable and supported by the LPA and their view, for example, the demolition of buildings on the site and access arrangements. As a key service provider we would hope that CFRS would be able to obtain a meeting with a Senior Planning Officer at HDC at the earliest opportunity.

Other items required include:

- Report on Title
- Topographical Survey

- Environmental Reports/Ground Conditions Survey
- Asbestos Survey
- Flood Risk Survey
- Current Floor Plans/Building Survey
- Services Report
- Energy Performance Certificate (EPC)

b) Timing and Method of Sale

The sale of Hinchingsbrooke Cottage is dependent on securing suitable alternative accommodation. We are currently working to a date for a relocation at some stage during 2017. Marketing of the property could commence in advance of your move, allowing time for a full marketing campaign.

Given the range of possible alternative uses (and dependent on pre-application planning advice) we would advise that the property is offered for sale "as is", i.e. without obtaining any further planning permission, and to pursue a full marketing campaign which will target all the market sectors outlined earlier in this report.

In order to maximise the price received you may need to consider offers made on a conditional basis, i.e. "subject to planning", where these are for redevelopment/change of use. Conditional offers carry additional risk and require a longer period of time to complete to allow for the planning process, but are likely to exceed any offers made on an unconditional basis. Clearly, at the stage where offers are being made, we will carefully advise on the merits of each bid.

The timing for the receipt of proceeds from a sale will depend on a number of factors, not least when the property is offered to the

market, the level of demand generated and whether an offer is conditional on planning.

Once the pre-marketing work has been carried out and the property is ready to be marketed, we would expect a marketing period of around three months should be sufficient to generate offers, based on a full marketing campaign, outlined below. We would expect there to be good interest in this property.

If an unconditional offer is accepted we would allow a further three months to conclude a sale (although some offers may be conditional upon CFRS providing vacant possession and so completion may be delayed until you are able to vacate).

In the case of a conditional offer you may need to allow 9 – 15 months from acceptance of an offer (which allows three months to conclude legals to exchange conditional contracts and a further 6 – 12 months for a planning application to be determined). If the planning application is taken to appeal this timescale will be extended.

If CFRS required more certainty over the timing of a sale and were prepared to accept a lower price then we could focus on an unconditional sale. It may be possible to interest developers on this basis, perhaps with some form of 'overage' arrangement which would allow CFRS to benefit from future development profits. Whilst we have not, at this stage, discussed the possibility with the two developers involved in the relocation sites it is possible they could be interested in a purchase of subject property under such an arrangement.

We are aware of previous discussions in respect of a possible letting of the buildings for nursing accommodation. If suitable lease terms could be agreed this could create a valuable freehold

investment interest and should therefore be considered along with other proposals.

We would welcome further discussion with you on these issues in order to clearly understand your objectives and tailor our marketing advice accordingly.

c) Marketing Initiatives

We would recommend a full marketing campaign aimed at both the regional and national markets offering the property for a range of potential uses as discussed above. The campaign should include the following:

- Production of quality property brochure in hard copy and PDF version.
- Background information available in dedicated online "data room".
- National and regional advertising – to include Estates Gazette/Property Week and local newspapers.
- Mailing/emailing – extensive mailing campaign to target market groups including regional/national house builders and developers, care/nursing home operators, hotel operators, large regional institutional occupiers and local commercial office occupiers.
- Web Site Profile – details of the property will be made available through Rightmove, EG Property Link and Cheffins web site.
- Press Release – the availability of the property could be highlighted through PR to local/regional/national press.

- Agent Board – at the appropriate time it may be beneficial to erect an agent's board fronting Brampton Road, highlighting the availability of the property.

We can provide a detailed marketing budget in due course but would advise on an overall marketing budget of £5,000 - £7,500 to include all the above initiatives.

d) Asking Price

Our proposed asking price, at this stage, would be to seek offers in excess of £1.5 million, although we would wish to review this closer to the point when the property is ready to market.

e) Fee Proposal

Cheffins would of course be pleased to advise on the marketing and sale of the property and consider we are well placed to do so.

Our fees would be calculated at 1.5% of the sale price achieved in the case of a freehold or long-leasehold sale, or 10% of the normal yearly rent agreed (ignoring the effects of any rent free periods or other tenant incentives) in the case of a letting.

Marketing and out of pocket expenditure, and VAT are payable in addition.

8. CONCLUSION

Hinchingbrooke Cottage could suit a range of different uses. The residential market is strong at the moment and we would see this sector as being the most likely source of demand, and potentially the highest value use.

Our approach would be to carry out a good deal of "due diligence" prior to marketing in order to understand the planning potential and constraints more clearly and to identify any other issues including legal restrictions, ground conditions, asbestos, servicing or any other matter which may affect the sale price and the marketing process.

We are recommending offers are considered on both a conditional and unconditional basis, since conditional bids are likely to be considerably higher. You will note the extended time frame and additional uncertainty which accompanies a conditional offer. There are alternative ways of structuring a sale which could give greater certainty, but which may not produce the higher price for the property. We would be happy to explore these with you.

We would of course be delighted to advise you through this process and look forward to discussing this with you.