

Our ref: GW3

The Directors
Housing and Land Directorate
Greater London Authority
3rd Floor, City Hall
The Queens Walk
London SE1 2AA

For the attention of Ms E. Savage

21 May 2017

Dear Sirs

Asset Reference No. 09/002/0001-02 – Strip of land at CIQ Phase 1 and 2 (Barking Creative Industries Quarter) Abbey Road, Barking IG11 7BT

We refer to your email of 27 April 2017 instructing us to provide an opinion of Market Value in connection with a strip of land at the aforementioned property.

We understand that the freeholds to both properties detailed above are to be disposed of as part of the development agreement between the GLA and the London Borough of Barking and Dagenham, with the interests to be transferred to the latter. However, we understand that the strip of land to be valued was not originally included in the freehold title to be transferred to the local council and consequently this plot now needs to be valued so that it can be disposed of along with the wider freehold title previously mentioned. In this year's asset valuation these two assets were both valued at a nominal amount.

As requested we have not inspected the aforementioned properties as you have only asked for us to provide a desktop opinion of Market Values in reference to the information provided to us when we first undertook the Asset Valuation in March 2015 of the wider site. We have valued then subsequently undertaken a desktop valuation of this asset in March 2016 and 2017 as part of our contract. Consequently, we have referred to historic information contained within our report dated 31 March 2015, particularly in relation to the site's location and description, which for the purpose of this valuation we have assumed is still relevant as at today's date.

This initial advice has been prepared for you and should not be relied upon by any third parties.

We confirm that we are not aware of any conflicts of interest which may prejudice our instruction. Our formal valuation is prepared in accordance with the definition of Market Value as set out in the RICS Valuation – Professional Standards (March 2014).

Location/Description

The subject property forms part of a site that is located 400 metres south of Barking Town centre with it being bounded by Abbey Road to the east, the River Roding to the south and west and Abbey Road Business Park (Sharleston Wharf) to the north. Barking Railway station is located 950 metres north east of the site, which provides access to London via Fenchurch Street station.

The site was formerly an industrial site, which has since been converted into a mixed use, residential led development known as the Creative Industries Quarter. The development consists of ground floor commercial units with 278 residential units above. At the time of our original inspection/valuation phase 1 of the scheme had been completed with the second phase then under construction, with it, we understand,

having been completed in October 2015. As part of our contract to value the GLA's assets for accounts purposes we are only required to inspect the property in the first year of the contract with all subsequent valuations being desktop opinions.

Tenure

We understand that the GLA currently retain the freehold interest of CIQ phase 1 and 2, which based on the Land Registry title plan, referenced TGL359076, provided to us by yourselves, encapsulates the whole of the site described above and is outlined red in the title plan.

In addition to the freehold interest we understand that there is a 1,001 year and a 999 year lease to the London Borough of Barking and Dagenham (LBBD) for CIQ phase 1 and 2 respectively, with them also benefiting from a purchase option for the freehold title. This long lease relates to parcels of land delineated on the title plan with a blue line, essentially the developable sections of the wider site. However, we understand, to complicate matters further, since the development agreement was signed in August 2013 a strip of land, as indicated in the title plan by being infilled blue and running along the eastern boundary of the long leasehold interest, did not form part of the proposed freehold interest to be transferred to the local council. We understand that this thin strip of land runs alongside Abbey Road and comprises part of the street and neighbouring footpath. We understand that the agreement would have originally been structured in this manner to ensure that none of the development's balconies overhang the neighbouring public highway and pavement. We understand that this strip of land is to be disposed of with the wider freehold interest, which has also been retained by the GLA.

For ease of reference we have attached a copy of the title plan referred to above, which we have relied on for the purposes of this valuation.

Valuation Methodology

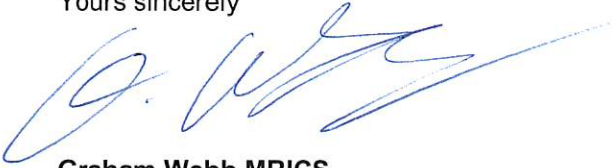
In light of the above information supplied to us we have, firstly, considered whether the thin strip of land not included within the wider freehold title forms a ransom strip. From our online investigations and discussions with you we understand that this strip of land consists of the neighbouring street and footpath, which we understand are both publically adopted. You have informed us that The London Borough of Barking and Dagenham have confirmed that the footpath and the carriageway running along Abbey Road are publically adopted and therefore the general public have a right to pass over it. Consequently, your solicitors have advised that adopted highways will be subject to public rights of way, albeit the freeholder of the strip still retains ownership of the sub soil and consequently, if for any reason in the future the land was stopped up, then it would revert back to the owner of the subsoil. However, in this instance we are of the opinion that this highly unlikely given Abbey Road essentially provides the wider area's main access route to the town centre in the north. With these various rights running over the land, which have to be maintained, it would consequently make the value of this strip of land de minimis and therefore we are of the view its Market Value would be nominal, equivalent to £1 for the sake of the contractual consideration.

We are therefore of the opinion that the freehold interest of the Market Value, as at today's date, for the subject strip of land at the above site as described above, is of a nominal amount, equivalent to £1.

Neither the whole nor any part of our valuation advice nor any reference thereto may be included in any published document, circular or statement, or published in any way without our written approval, which may specify the form and context in which it might appear.

We trust the above is sufficient for your purposes but should you require anything further, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G. Webb', with a long, sweeping horizontal line extending to the right.

Graham Webb MRICS
Associate Director

graham.webb@glhearn.com

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from Land Registry.

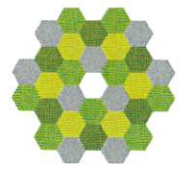
This official copy is issued on 25 September 2015 shows the state of this title plan on 25 September 2015 at 11:31:05. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).

This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by the Land Registry, Telford Office .

Land Registry
Official copy of
title plan

Title number **TGL359076**
Ordnance Survey map reference **TQ4483SW**
Scale **1:1250**
Administrative area **Barking and Dagenham**



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