

GER CARMODY

AUCTIONEERS

CHARTERED SURVEYORS ■ ESTATE AGENTS

VALUATION REPORT

PROPERTY: Balloonagh Estate, Tralee, Co. Kerry

CLIENT: Down Syndrome Ireland

PREPARED BY: GER CARMODY BSc (Hons) FSCSI FRICS

DATE OF VALUATION: 12th February 2016

EXECUTIVE SUMMARY



The Property

- Medical centre on the edge of Tralee town centre
- Tralee is the administrative capital of the County of Kerry
- Recently modified/refurbished premises
- Located adjacent to Bon Secours Hospital, on edge of large local authority estate

Tenure

We have assumed freehold or equivalent long leasehold title to the property.

SWOT Analysis

Strengths

- Commercial planning with diverse range of uses possible
- Easily accessible property with on-site parking

Weaknesses

- The lease with pharmacy subject to external factors which may not be realised.
- Secondary location

Opportunities

- Potential to have a number of various uses trade from this site
- Scope for further development (subject to PP)

Threats

- Current economic climate, whilst showing strong growth indicators, market remains challenging

Market Value

€210,000 exclusive of VAT
(Two hundred and ten thousand euro)

1 Valuation Report

1.1 Introduction

In accordance with our letter of instruction we have prepared a valuation of the freehold interest in the property situated at **Balloonagh Estate, Tralee, Co. Kerry**

Our valuation report is set out below and has been prepared in accordance with and subject to the definitions, caveats and assumptions contained here-in.

1.2 Date of Valuation

Ger Carmody BSc (Hons) FRICS FSCSI inspected the property on the **11th February 2016**, Ger Carmody has the relevant experience and knowledge to value property of this type in this location. We confirm we have undertaken a full inspection of the property and acted as external valuers.

Valuation Date: 12th February 2016

1.3 Tenure

We have assumed freehold or equivalent marketable title exists.

1.4 Compliance with Valuation Standards

The Valuation has been prepared in accordance with *The RICS Valuation – Professional Standards 2014 (Red Book)*

We confirm we have sufficient current local knowledge of the particular property market involved.

1.5 Professional Indemnity

I confirm that we currently hold professional indemnity insurance cover for €2,000,000 on any one claim through Torus Insurance Ltd

1.6 Conflict of Interest

We believe there to be no conflict of interest in Ger Carmody Auctioneers and Chartered Surveyors carrying out this instruction.

1.7 Publication

Neither the whole nor any part of our report or any references thereto may be included in any published document, circular or statement nor published in any way without the written approval of the writer.

2 The Property

2.1 Location

That to be valued is located on the edge of Tralee town centre and adjacent to Balloonagh Estate, off the Matt Talbot road within close proximity to Bon Secours hospital. Enjoying a high profile on the corner of the estate, the property, with onsite parking, is situated in a primarily residential area.

A location plan of the property is located in Appendix 1 of this report.

2.2 Site

The site, which we have shown for identification purposes only, is attached at Appendix 2.

The entire is contained in **Folio KY 50898F Co. Kerry.**

2.3 Surrounding Hinterland

Balloonagh is dominated by a large local authority estate with access off Matt Talbot road and The Kerries/Spa Road. In addition to the aforementioned is Bon Secours private hospital, Fire Station and Holy Family NS. Property has the benefit of pedestrian access to St. Joseph's.

2.4 Description

Two storey detached former residential property of traditional masonry construction, plaster rendering with pitched concrete tile roof. Natural light is provided through double glazed windows (pvc and teak) and heated by oil fired central heating.

Attached is a single storey flat roofed annex, also of traditional masonry construction and plaster rendering. Previously the property operated as a convenience store, on its closure the

property was redeveloped into a medical centre to incorporate pharmacy (currently let), two medical suites together with doctor and dentist surgeries.

2.6 Services

The property is connected to mains water and sewerage. Property is heated by an oil fired heating system.

Please note we did not test the services during our inspection.

2.7 Accommodation

We have been provided with drawings as prepared by Oliver Daly Architects, Church Street, Castleisland and have relied on same in preparing this report.

Floor	Brief Description	Sq.M.
Ground	Consultation, waiting room, reception and toilet with pharmacy, 2 own door professional suites with staff and storage facilities to rear	260
First	3 consultation rooms with disabled access toilet	62
	Total Area	322

Source: Oliver Daly Architects, Church St., Castleisland, Co. Kerry

2.8 Repair/Condition

Property is in good decorative repair subsequent to recent refurbishment.

Evidence of water ingress at reception to original two storey element of the property where the main building meets the flat roofed front portion.

We have not undertaken a structural survey or tested any of the services.

Environmental Matters

Deleterious Materials

We have not undertaken, nor are we aware of the content of any environmental audit or other environmental investigation or soil survey which may been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigation into the past or present uses of the property nor of any neighbouring land, in order to establish whether there is any potential for contamination and have, therefore, assumed that none exists.

Environmental Matters

We have not made any investigations in relation to the presence or potential presence of contamination in land or buildings, and have assumed that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the property or any adjacent land to establish whether there is any potential for contamination from such uses or sites, and have, therefore, assumed that none exists.

In practice purchasers in the property market may require knowledge about contamination. A prudent purchaser of this property may require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, this might reduce the value now reported.

Commensurate with our Assumptions set out herein, we have not made any allowance in the Valuation for any effect in respect of actual or potential contamination of land or buildings.

Flooding

We are not aware of any flood events and understand that the subject property falls outside the extent of any flood plains.

2.10 VAT

We have not been advised whether the property is VAT registered. All figures presented herein are deemed to be exclusive of VAT

2.11 Planning Zoning

The subject property is located in an area zoned *Primarily Residential* as per *Tralee Town Local Area Plan 2009 - 2015*

We have assumed that all development to date is authorised for the purpose of the local Government (Planning & Development) Acts 1963 to 2002 as amended. We have further assumed that there are no outstanding statutory notices affecting the property.

3 Comparable Evidence

3.1 Recent Market Transactions

The following transactions have been used to underpin the market value presented:

	Property	Brief Description	Price
1	<i>Clash Roundabout, Tralee</i>	Former convenience store with ancillary storage (no parking)	Sold Dec 2015 €190,000

4 Valuation Considerations

4.1 Key Valuation Factors

In determining market value, we have had regard to the following;

Strengths

- Commercial planning with diverse range of uses possible
- Easily accessible property with onsite parking

Weaknesses

- The lease with pharmacy subject to external factors which may not be realised.
- Secondary location

Opportunities

- Potential to have a number of various uses trade from the site
- Scope to further develop (subject to PP)

Threats

- Current economic climate whilst showing strong growth indicators, market remains challenging

4.2 Marketability/Potential Purchasers

There are a number of potential purchasers for something like the subject property. An investor would certainly look favourably on a property like this given the diverse range of potential occupants and the likely stronger yield which could be achieved.

4.3 Valuation Methodology

We have valued the property based on the investment method whilst having regard to the comparative method of valuation.

4.4 Lease Details

First Floor Balloonagh Medical Centre

Let on 5 year lease from 23rd March 2015 at an annual equivalent rent of €10,560 per annum.

Ground Floor Pharmacy

10 year lease from 1st January 2014 at an annual equivalent rent of €17,000 per annum (not being paid) ERV €12,000

NOTE: Lease provides for suspension of rent if doctor does not occupy adjoining space.

5 Opinion of Value

5.1 Market Value

We are of the opinion that the Market Value of the freehold/equivalent long leasehold interest in the subject property with the benefit of goodwill, licences and planning attached as at the date of valuation is:

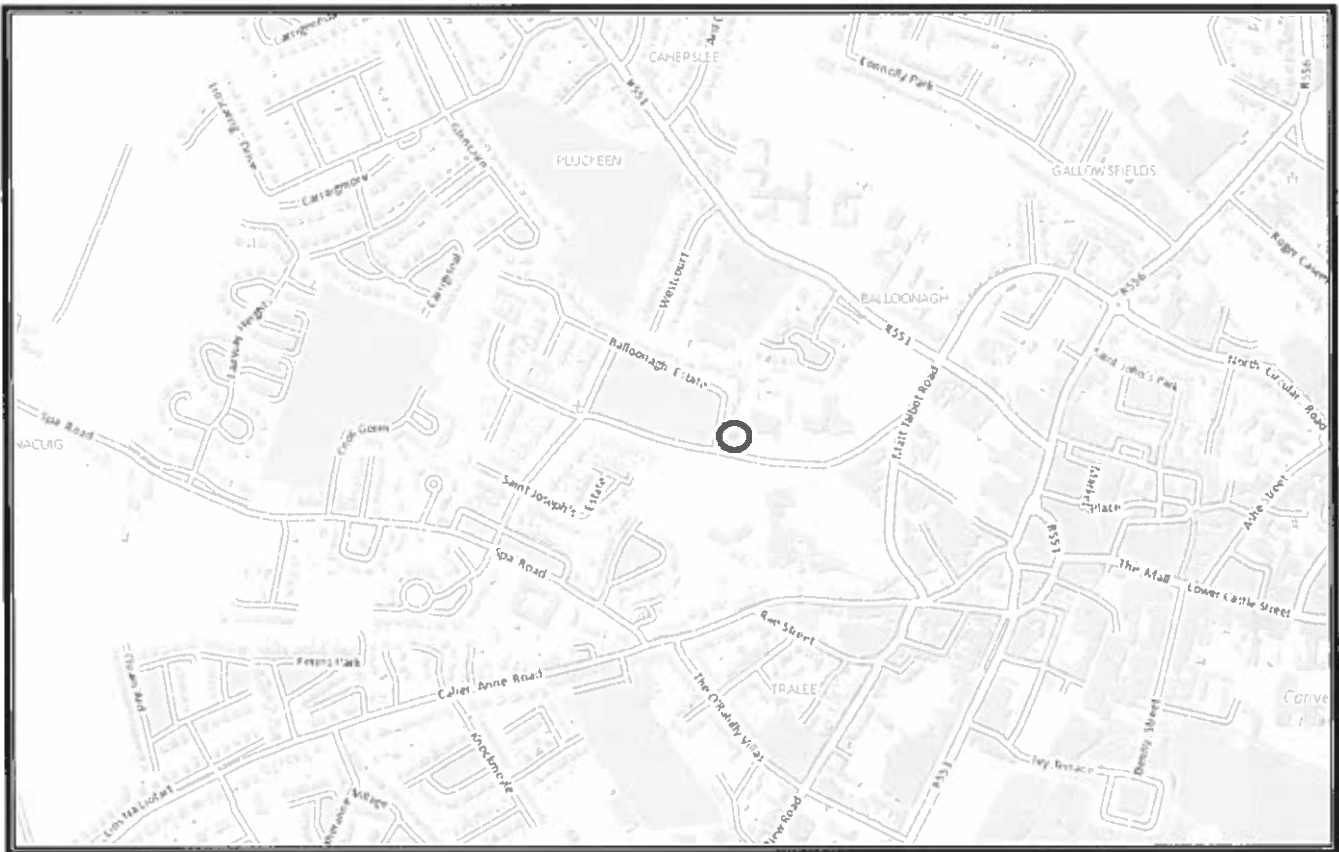
€210,000
(Two hundred and ten thousand euro)

Yours faithfully,

Ger Carmody BSc (Hons) FSCSI FRICS

APPENDIX 1 – Location Map

Source: Ordnance Survey Ireland



APPENDIX 2 – Site Location Map



APPENDIX 3 – Photograph



Appendix

Definition-Market value

“The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

The definition excludes any element of value relating to the special interest of a particular party, which may arise in certain circumstances such as a landlord and tenant relationship, where development access is controlled by an adjoining property etc.

The estimated amount refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm's length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.

An asset or liability should exchange...refers to the fact that the value of a property is an estimated amount, rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.

On the Date of Valuation requires that the estimated Market Value is a time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

Between a willing buyer refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute 'the market'. A valuer must not make unrealistic Assumptions about the market conditions or assume a level of Market Value above that which is reasonably obtainable.

A willing Seller is neither an over- eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not part of this consideration because the 'willing seller' is a hypothetical owner.

In an arm's-length transaction is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value. The Market Value transaction is presumed to be between unrelated parties each acting independently.

After proper marketing means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.

Wherein the parties had each acted knowledgeably, prudently presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses, and the state of the market as of the date of valuations. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

And without compulsion establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

Exclusions

In undertaking the valuation we did not, unless otherwise stated:

- a) Carry out a structure survey or test ground conditions for stability, bearing capacity, presence of rock and other matters. Any comments in our report concerning the state of repair, structural condition, ground conditions etc. are of a superficial nature only and may require to be verified by a building surveyor or structural engineer.*
- b) Carry out an environmental audit or survey or test for electro magnetic fields.*
- c) Test lifts, heating, electrical, water, drainage and other services in the property.*
- d) Inspect title documents.*
- e) Make enquiries with local town planning and other statutory agencies.*
- f) Take up tenant references or make other investigations concerning their financial trading or legal status.*
- g) Make allowance for realisation expenses, taxation or purchaser VAT liabilities.*

We have instead made particular assumptions (see below) or relied on information from other parties as indicated in the report. No responsibility is accepted for the true interpretation of the client or other parties. Legal advice should be obtained if necessary. Any maps attached are for identification purposes only and should not be relied on for legal purposes.

Assumptions

Unless otherwise stated and where appropriate, our valuation is based on the following assumptions;

- a) The conditions necessary to give effect to the valuation basis adopted (see definition above) where in place at the valuation date.*
- b) Good freeholder leasehold title can be shown and where relevant the ownership includes appropriate and enforceable collateral warranties. It is further assumed that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings and is free and clear of mortgages and charges.*
- c) All relevant notices have been validly served within the appropriate time limits in the case of outstanding or impending rent reviews, and lease renewals.*
- d) Any series on the property are in working order.*
- e) The property together with any extensions or alterations has been constructed and is used in accordance with all statutory, planning building regulation and insurance industry requirements and there are no matters adversely affecting value that where required there is valid fire certificate for the property.*
- f) All buildings on the property are free from dry rot, woodworm and latent defects and no deleterious or hazardous materials have been used in their construction, extension or alteration which result in excessive insurance costs or cause us to make allowance by way of capital repair costs.*
- g) No part of the property is contaminated by noxious substances to an extent that would cause us to make an allowance for the cost of remedial works.*
- h) No injuries effects to present or future operations at the property are or will be caused by any electro magnetic fields.*
- i) All outstanding rates, property taxes, service charges and similar liabilities have been discharged and tenants are complying with their lease covenants and other obligations.*
- j) There are no adverse site conditions or archaeological or buried remains which inhibit development works.*

- k) *In the event of a disposal giving rise to a VAT charge, the purchaser or assignee will accept liability and they are registered for VAT and are entitled to a refund of VAT arising on the transactions.*
- l) *The purchaser is not grant aided.*
- m) *The vendor will make any necessary taxation clawback in the case of the property being valued with the benefit of tax incentives.*
- n) *Where the valuation includes more than one property, each has been valued on an individual basis and the valuations assume an orderly disposal of all the properties, so that the supply to the market, having regard to market conditions, is not unusually high. Neither does the valuation take account of any premium that might apply to a group of properties in the same ownership.*
- o) *Full disclosure of all the information and facts known to the clients or their advisors which affect or may affect the valuation has been made to ourselves.*
- p) *No unexpected technological, economic, political or market changes will occur.*
- q) *All monetary amounts refer to euro.*

If any of these assumptions transpire to be incorrect, then our valuation may require amendment.

Extent of Valuation

Unless otherwise stated the valuation;

- a) *Includes all permanent structures (but not plant and machinery), benefits and liabilities vested in the title including equipment of a permanent nature installed for the provision of building services such as lifts, heat, lighting, raised access floor etc.*
- b) *Excludes contents, crops, goodwill, trade fixtures plant and machinery (other than for building services as above), any costs and damage caused by their removal. Mineral rights are also excluded.*

Publication and Liability Restrictions

Unless otherwise stated the valuation is issued on the following basis;

- a) *We will not accept any liability in any event for the valuation unless the full disclosure of relevant information and facts referred to under assumptions (see above) has been made.*
- b) *The report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it was prepared. It may be disclosed to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.*
- c) *Neither the whole nor any part of this report, nor any reference thereto, may be included in a published document, circular or statement nor published in any way without the prior written approval of Ger Carmody Auctioneers & Estate Agents of the form or context in which it may appear.*