

MARKETING REPORT

Land on the south side of 12 Oaklands Lane, Smallford, St Albans

1.0 Background

Colney Heath Parish Council (the Parish Council) owns a small area of paddock land on the south side of Oaklands Lane, Smallford. The Parish Council are considering their options for sale and have instructed Lambert Smith Hampton (LSH) to provide a Marketing Report outlining possible options and potential Market Value.

2.0 Description

- 2.1 This report is provided on a desktop basis only. However the site and local area are extremely well known to LSH.
- 2.2 The site is located in Smallford, a small village in the City and District of St Albans. Nearby uses include; residential, Notcutts Garden Centre, a Public House, Petrol filling station, a veterinary practice, sports fields (St Albans RFC) and employment uses. St Albans City Boundary is located approximately 1km away.
- 2.3 The site is shown edged red (extract from Title Plan shown below together with aerial image) and is owned by the Parish Council.



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- 2.4** The site comprises a small flat paddock measuring approximately 0.3 hectares (0.74 acres) which is laid to wild grass. The boundaries appear to all be well defined via post and rail fencing along with mature hedgerows.
- 2.5** The site is located adjacent to both Oaklands Lane and Hatfield Road; although we note that there is no vehicular access into the site. We cannot easily identify how pedestrian access is taken. It appears that pedestrian access may have been taken from the public footpath in Oaklands Lane or possibly via the Highway verge adjacent to Hatfield Road.

We understand that the site abuts the public Highway, but clearly a Highways search may be required to verify this. For the purpose of this report we assume that a pedestrian access is available into the site.

- 2.6** We understand that there could be a future requirement for a 'left turn only' from Oaklands Lane onto Hatfield Road where the two meet via the roundabout. That would require the development of the adjoining Highway verge in order to facilitate said 'slip'. In the event that a Highway scheme was to come forward the Parish Council will need to ensure that any pedestrian access into the site is protected.

3.0 Title

- 3.1** We have been provided with a copy of the Registered Title and Title Plan for the property. A copy is attached to this report.
- 3.2** The property is Registered under Title No. HD519567.
- 3.3** Title is Freehold Possessory subject to a restriction in favour of Punch Taverns PLC. That restriction requires consent from Punch Taverns PLC to any disposition and relates to complying with the provisions of an Agreement dated 14th October 2014 and made between B.W.B Limited, Punch Partnerships Limited and Colney Heath Parish Council.
- 3.4** We have not seen a copy of the 2014 Agreement mentioned above. However we understand that this may relate to overage provisions (whereby in the event that planning permission for a more valuable use was to be obtained a % would need to be paid to the beneficiaries of any overage (that presumably being B.W.B and / or Punch Taverns PLC).
- 3.5** We understand that the Parish Council acquired the site for £5000 in order to evict unauthorised traveller use of the site for horse grazing and illegal fly tipping. Significant

legal and clear up costs were therefore expended by the Parish Council in securing Vacant Possession.

4.0 Possible Uses

- 4.1** We have not undertaken a thorough review of the sites planning history or designation. However we understand that the site falls within the Green Belt (GBS 9 Smallford) and therefore St Albans District Council's saved Policies in respect of development in the Green Belt apply.
- 4.2** The most obvious use of the land would be as a pony paddock or for horticulture.
- 4.3** The size of the site would preclude the grazing of more than 1 or 2 small ponies (alternatively Llamas are often kept on small sites). A lack of vehicular access would also preclude the loading of ponies into a horse box and the bringing in, via trailer, of horse feed etc. We assume that the site does not benefit from a water supply, but presumably a new owner could make a connection (subject to all necessary consents being obtained) to the mains water supply which we assume would be available in Hatfield Road / Oaklands Lane. However such impediments are likely to simply be 'worked around' by a determined owner.
- 4.4** The site could also potentially be used for horticulture. A number of small allotments could be made available. The demand for private allotments has increased in recent years and local residents could club together to purchase the site.
- 4.5** Likewise the site could be purchased by a local resident / residents for private recreational purposes. Although this seems unlikely we have had circumstances where private individuals have been looking for land for such purposes. For example we have had approaches from individuals looking for small plots where they can undertake private recreation activities such as archery. Of course there isn't a conventional market for such uses and it very much depends on an individual's needs at the time. And of course such uses are likely to yield diminimus receipts.
- 4.6** Some form of residential development might be forthcoming although this has to be considered unlikely. Vehicular access would be one of the main impediments (along with its Green Belt designation). It would seem unlikely that a junction would be approved via Oaklands Lane given the proximity of the roundabout and the private access road serving the adjacent houses. The same applies to Hatfield Road. Even if access were technically possible from Hatfield Road we suspect the cost of undertaking Highway

improvements would be prohibitive given the quantum of development would almost certainly be limited to a handful of dwellings.

4.7 Notcutts would appear to be an obvious special purchaser. The site could easily be incorporated into their existing site. But clearly they would have to have a need (either short or long term) for the land.

5.0 Estimate of Value / Value Commentary

5.1 We would expect paddock land in this area to be around £100,000 per acre assuming that water and vehicular access were available to the site. Given the site impediments and making the necessary adjustment for site area, we would estimate a value in the region of **£50,000** (Fifty Thousand Pounds) for the site on an unconditional basis.

5.2 However we suspect that if presented to the right audience (see Marketing below) the above figure could be exceeded, potentially by some margin.

5.3 The above figure is not a Red Book compliant valuation figure. It is provided as an estimate in advance of any potential marketing activity and should not be used for any other purposes other than to inform marketing decisions.

6.0 Marketing

6.1 The Parish Council should give serious consideration to the form of marketing if they decide to sell the site.

6.2 In our view there are two possible options;

6.2.1 Option 1 – dispose of the site in the open market via a traditional private treaty sale (that could merge into an informal tender exercise as required).

6.2.2 Option 2 – dispose of the site via auction

6.3 In our opinion Option 2 above is likely to be the favoured approach for the following reasons;

- There is a good chance that the site could sell for in excess of the price quoted in 5.1 above. Auction buyers often get carried away. The simple fact is this is land in

one of the most desirable parts of Hertfordshire. An auction buyer could pay a significant premium without undertaking the same due diligence that a buyer afforded months, via a private treaty route, would have. An auction buyer makes a split decision, whereas a buyer via a traditional sale route has time to ponder his / her decisions.

- In our opinion there is a higher chance of early success with a sale via auction. Once the 'hammer falls' there is relative certainty. That same certainty takes months via private treaty / informal tender (certainty only being available once Exchange of contracts has taken place). As an estimate a sale via auction could be concluded in around 4 – 6 weeks. A Sale via private treaty will in all likelihood take 3 - 6 months depending on its complexity.
- Buyers via private treaty are likely to make in-depth enquiries of the Highway and Planning Authority. That could result in a buyer withdrawing or looking to renegotiate the purchase price;

For example a buyer may assume, when they make a bid via Private Treaty, that they can create a new vehicular Means of Access into the site. However after making this assumption they will then make enquiries with the Highway Authority. If the response from Highways is negative then the offer will either fall away or they will seek a price adjustment.

An Auction buyer's enquiries are likely to be much more limited.

- An auction buyer is likely to look more favourably on any existing overage provisions, whereas a buyer who has months to ponder, may decide that they can't maintain bid level because of future overage payments that might fall due.
- An auction sale should be a more cost effective route to market for the Parish Council. This is discussed further below.

6.4 Given the relatively low values here and if proceeding via private treaty / informal tender, a % fee alone would not be viable.

For example if any sale fee was 1% and the site sold for £50,000, the fee would be £500. If the site sold for double that sum (£100,000) the sale fee would still only be £1,000. For the work required, we would need to act on the basis of a 'fixed fee'. A figure of £5000 plus all marketing expenses and disbursements (allow circa £1300 for marketing and

disbursements) would be the minimum fee we could proceed on. The above assumes a simple recommendation report confirming 'Best Value' compliance, but in the event a Red Book Valuation or an enhanced report was required the fee quote would need to be adjusted accordingly.

Clearly the Parish Council may be able to secure a more competitive fee from a smaller operator.

- 6.5** If however the site were sold via auction we would expect the sale fee to be considerably less. An auction house, where potentially hundreds of 'Lots' are all going through on the same day, would be able to offer cost savings. We would expect to see a fee in the region of 1.5% + catalogue entry + marketing + disbursements.
- 6.6** LSH do provide an online auction platform. Details can be seen here;
<https://www.574.co.uk/>
- 6.7** We have contacted 574 and they have confirmed that their sale fee would likely be between 1.5% - 2% with a minimum fee of £2000, plus disbursements (likely to be around £1000). Or they could look at an incentivised approach based on how much the property sold for.
- 6.8** 574 are a wholly online selling platform therefore costs tend to be lower as they do not have to pay for a traditional 'ballroom' setting to host auctions. They advise they have successfully sold of a number of similar properties to the subject site (their website has some examples).
- 6.9** Alternatively the Parish Council could seek a quote from one of the large national commercial auction houses such as Allsop Commercial Auctions. They may offer even more competitive rates
- 7.0 Conclusions**
- 7.1** There is no doubt that there will be demand for the site in the market place. Although our estimate of Market Value is prudent we suspect that this could be exceeded by some margin with the right competition, after all the site is in a desirable part of Hertfordshire.

- 7.2 There are clearly site constraints (physical, planning and Legal) that will impact its value and could fetter a sale depending on the route of sale chosen.
- 7.3 In our opinion a sale via auction is likely to generate the best Capital Receipt, in the shortest timeframe and with the most certainty.
- 7.4 We trust that this report will help the Parish Council in determining whether to dispose of the site and via what method. In the event that you have any queries do not hesitate to contact me.

For an on behalf of Lambert Smith Hampton



Alan Joiner MRICS BSc Hons
17th June 2021

APPENDIX 1- REGISTERED TITLE AND TITLE PLAN