

## BRIEFING NOTE BY EXECUTIVE DIRECTOR OF CUSTOMER SERVICES

### CASTLE TOWARD PROPERTY VALUATIONS

Members have requested advice and information with regard to the significant discrepancy between the valuations of the Castle Toward property carried out by the Council appointed Baird Lumsden and the Scottish Government appointed District Valuer on the one hand, and by Savills who had been appointed by South Cowal Development Company on the other. The Savills valuation is of an amount less than half of each of the other two valuations. The three valuations are as follows:

- Valuation by Donald Yellowley MRICS, Director of Baird Lumsden, The Mill, Station Road, Bridge of Allan, Stirling, FK9 4JS, dated 19<sup>th</sup> March 2014, instructed by Argyll and Bute Council and based on an inspection of the property carried out on 19 March 2014. The property was valued at **£1.8M** and the valuation date was described as 7 February 2014. The Valuation Report forms Appendix 1 to this Note.
- Valuation by David Herriot BSc(Hons) MRICS, Senior Surveyor, DVS (District Valuer Service), Glasgow, dated 29<sup>th</sup> April 2014 instructed by Ian Heron, The Scottish Government, based on an inspection of the property carried out on 10 April 2014, accompanied by representatives of Council and SCCDC. The property was valued at **£1.75M** with the valuation date being described as 7 February 2014. The Valuation Report forms Appendix 2 to this Note. A representative of the Scottish Government confirmed by email on 10 February 2015 that the Scottish Government are content for this Report to be made public.
- Valuation by Sian Robertson MRICS, Associate reviewed by Hugo Struthers, MRICS, Director, both of Savills, 163 West George Street, Glasgow dated 28 January 2015 as instructed by South Cowal Community Development Company, based on inspections of the property by Sian Robertson on 25 February 2014 and 9 April 2014. The property was valued at **£850,000** with valuation date being described as 23 January 2015. Attention is drawn to paragraph 14 of Schedule 1 to the Valuation report in which it is stated "As stated above, we accept responsibility for our Report only to the Addressees and no third party may rely on our Report". The Valuation Report forms Appendix 3 to this Note. SCCDC have indicated that this report is a confidential document and "cannot be put into the public domain".

In addition to the foregoing valuations, Ms Robertson of Savills produced a letter dated 20 May 2014 commenting on the District Valuer's valuation at the request of SCDDC. As well as commenting as aforesaid, the letter concluded by stating that in the opinion of the Ms Robertson stating that the market value of the property was considered to be between **£750,000** and **£850,000**. The letter was stated to be informal advice and not a formal valuation. A copy of the letter dated 20 May 2014 forms Appendix 4 to this Note. It is to be assumed that this letter is also to be regarded as a private document and "cannot be put into the public domain".

It will be noted that the difference between the valuations carried out by Baird Lumsden on behalf of the Council and the District Valuer on behalf of the Scottish Government is **£50,000**, but the difference between the lower of the Baird Lumsden valuation and the District Valuer's valuation, being the District Valuer's valuation of **£1.75M**, and the valuation provided by Savills as instructed by SCCDC is **£900,000**.

Enquiries were made of the District Valuer as to whether he would be in a position to provide comment on the Savills valuation and indicate whether in his view he considers his original valuation to be excessive. The Council was advised that the District Valuer could accept further instructions in this matter only if he

received a combined approach by The Scottish Government, by whom he was originally instructed, along with the Council and SCCDC.

Mr Yellowley of Baird Lumsden was provided with a copy of the Savills valuation and was invited by the Council to provide his comments. His comments on the Savills valuation are contained within the letter from Mr Yellowley dated 10 February 2015, a copy of which forms Appendix 5 hereto.

In summary there have been three valuations and these are as follows:

By Donald Yellowley of Baird Lumsden on behalf of the Council	<b>£1,800,000</b>
By David Herriot, District Valuer's Service on behalf of Scottish Government	<b>£1,750,000</b>
By Sian Robertson of Savills on behalf of SCCDC	<b>£850,000</b>

Douglas Hendry  
Executive Director – Customer Services

11 February 2015