



Valuation Office  
Agency

**DVS** Property Specialists  
for the Public Sector

Valuation Report for  
Kinloch Rannoch  
Outdoor Centre,  
Kinloch Rannoch,  
Perthshire  
PH16 5PQ



Report for:  
Malcolm Hill  
Perth and Kinross Council

Prepared by:  
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Case Number: 1730780

Date: 12 December 2019

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## 1. Introduction

I refer to your instructions dated 25 November 2019 and my Terms of Engagement dated 3 December 2019.

I have inspected and valued the property and I am pleased to report to you as follows.

## 2. Valuation Parameters

### 2.1 Identification of Client

This instruction is undertaken for Perth and Kinross Council.  
We understand that Rannoch Community Trust will also have sight of the report.

### 2.2 Purpose of Valuation

It is understood that Perth and Kinross Council has received a Community Asset Transfer request for Kinloch Rannoch Outdoor Centre from Rannoch Community Trust.

The request is in terms of the Community Empowerment (Scotland) Act 2015.

The property is closed and vacant, Rannoch Community Trust are looking to convert the property to a community centre/ licensed premises providing a flexible meeting place for the local community.

You require a valuation to inform your discussions with Rannoch Community Trust who are in the process of applying for funding for the project.

In addition to the Market Valuation you have also requested a valuation subject to the **Special Assumption** that it is on the basis of the proposed use that Rannoch Community Trust intend for the property.

### 2.3 Subject of the Valuation

The property to be valued is the former Kinloch Rannoch Outdoor Centre.

It is held on a heritable basis with vacant possession.

### 2.4 Date of Valuation

The date of valuation is 12 December 2019.

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

## 2.5 Confirmation of Standards

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards 2017 and RICS UK National Supplement, commonly known together as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

Measurements stated are in accordance with the RICS Professional Statement '**RICS Property Measurement' (2<sup>nd</sup> Edition)** and, where relevant, the **RICS Code of Measuring Practice (6<sup>th</sup> Edition)**.

You have specifically requested that any office and/or residential property present is reported upon using a measurement standard other than IPMS, specifically Gross Internal Area (GIA) and therefore their measurements will be an agreed departure from 'RICS Property Measurement (2nd Edition)'.

## 2.6 Agreed Departures from the RICS Professional Standards

As specifically requested by you, and as captured above with explanation, certain property has been reported upon using a measurement standard other than IPMS.

## 2.7 Basis of Value

The basis of value adopted is Market Value which is defined at VPS 4, para 4 as:

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

## 2.8 Special Assumptions

In addition to Market Value, it has been agreed that a second valuation will be provided subject to the Special Assumption that it is on the basis of the proposed use that Rannoch Community Trust intend for the property.

## 2.9 Nature and Source of Information Relied Upon

In addition to relying upon VOA held records and information, I have assumed that all information provided by, or on behalf of you, in connection with this instruction is correct without further verification – for example, details of tenure, tenancies, planning consents, etc.

My advice is dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of my valuation may be affected.

You have provided me with:

- Title plan
- Floor plans
- Site information sheet
- Expression of interest of a Community Asset Transfer from Rannoch Community Trust.

#### 2.10 Date of Inspection

05 December 2019, the weather was overcast and showery

#### 2.11 Extent of Investigations, Survey Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer considered professionally adequate and possible in the particular circumstance was undertaken. This comprised undertaking an internal inspection of the property.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property was undertaken. The Valuer has had regard to the apparent state of repair and condition, and assumed that inspection of those parts not inspected would neither reveal defects nor cause material alteration to the valuation, unless aware of indication to the contrary. The building services have not been tested and it is assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection.
- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- Valuations include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations), but exclude all machinery and business assets that comprise process plant, machinery and equipment unless otherwise stated and required.

- It has been assumed that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated. However where an inspection was made and obvious signs of such materials or techniques were observed, this will be drawn to your attention and captured in this report.
- No access audit has been undertaken to ascertain compliance with the Equality Act 2010 and it has been assumed that the premises are compliant unless stated otherwise in this report.
- No environmental assessment of the property (including its site) and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous substances. No search of contaminated land registers has been made.

However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report. Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

### **3. Property Information**

#### **3.1 Location**

The subjects are located in Kinloch Rannoch, a rural Highland Perthshire village which is located at the eastern end of Loch Rannoch, approximately 18 miles to the west of Pitlochry and 52 miles north west of Perth. The village has a population of less than a thousand with limited local services including a primary school, fire station, post office and village shop, tearoom and hotel. The area is popular with tourists on a year round basis, who visit to enjoy the scenery and to take part in outdoor pursuits including walking, cycling, fishing and water sports. Several sporting organised events take place in the area each year.

More specifically the former Kinloch Rannoch Outdoor Centre is located to the north of Allt Mor Place forming part of the B846 being the main route through the village. The surrounding properties are residential and the Allt Mor River borders the site to the south west.

### 3.2 Description

The subjects comprise a former outdoor centre which was purchased by the Joint County Council of the Combined County of Perth and Kinross in 1972 and comprised the Old School and Schoolhouse for the village.

The property is estimated to be over 100 years old, it is detached, one and a half storey of solid stone construction under a slate clad roof with various pitches incorporating numerous valley gutters. The property has a number of single storey projections to the rear including a rendered section under a profile metal clad roof.

There are three entrances into the property, with the main entrance being from the eastern elevation. Internally the accommodation is of reasonable quality and has until recently been available to rent by organisations and family groups as self-catering hostel style accommodation for weekends and short lets, the current accommodation configuration is capable of sleeping a maximum of 24 in bunk beds.

Throughout the property the floors are a mix of suspended timber and solid construction with a variety of coverings. The ceilings are a mix of timber and plastered and painted, with the main lounge having a suspended framed ceiling. The windows throughout are single glazed timber framed and the property is heated by hot water radiators from the oil fired central heating system.

The ground floor accommodation includes 2 bedrooms, a large lounge and the kitchen which is fitted in a catering style and appears well equipped for its purpose. In addition there are 4 toilets and 2 showers on the ground floor, on the first floor there are a further 2 large bedrooms, a small bedroom and toilet and shower.

Externally the property is set in an irregular shaped sloping site, vehicle access is from the driveway on the eastern boundary to a tarmac surfaced parking area. There is a sloping lawn area to the south of the site in front of the property and to the rear there is a retaining wall at the back of the building with a sloping area, overgrown in places with sections of stone wall and some mature trees, the site boundary is a mix of stone walling and wire mesh fencing.

There are various small additional buildings including to the rear of the main property, the former school toilet block now occupied as a store and a modern timber shed. In addition there is a further outhouse directly to the west of the property which houses a drying room and the boiler house, the oil tank sits adjacent to this in an enclosed fenced area.

### 3.3 Tenure

Owner's heritable interest with vacant possession.

### 3.4 Title Restrictions

None of which we are aware.

### 3.5 Site Area

From the site information sheet provided, the site area is 0.2581 Hectares (0.6375 Acres).

This has not been verified on site and is assumed to be correct.

### 3.6 Floor Area

From the site information sheet provided:

Outdoor Centre	256.18 sqm
Boiler House	27.83 sqm
Old Toilet Block	8.56 sqm
Timber Shed	22 sqm

The areas provided are on a Gross Internal Area basis, they have not been verified on site and are assumed to be correct.

### 3.7 Accommodation

Outdoor Centre

Ground Floor: Entrance Hallway, Kitchen, Lounge/ Dining Room, 2 Bedrooms, 4 Toilets, 2 Showers and Cupboard.

First Floor: 2 Bedrooms, Box room, Toilet and Shower.

### 3.8 Defects and Repair

The interior of the property has been reasonably well maintained, the fittings in the kitchen and bathrooms have been relatively recently installed and all appear adequate for purpose.

Externally the property appears to have had adequate maintenance, but it is in need of various items of repair which are to be expected in a building of this age, construction and design, these include repairs to the woodwork and stonework, an assessment of the slate work by a reputable roofing contractor is also recommended.

### 3.9 Services

Although not checked with the relevant utilities it is understood that the property is connected to the usual mains services of electricity, water and drainage.

### 3.10 Access and Highways

It is understood that the maintenance of roads and footpaths ex adverso the property is the responsibility of the local authority.

### 3.11 Energy Performance Certificate



No Energy Performance Certificate has been provided.

### 3.12 Planning

I have made no enquiries of the Planning Authority and no information has been received on the property's planning status and potential.

I have assumed as agreed with you, that there are no planning proposals that adversely affect the property.

The premises have operated as an outdoor centre for a number of years, it is assumed for the purposes of this valuation that planning permission would be forthcoming if a change of Planning Use was sought either for the proposals put forward by Rannoch Community Trust to convert the property to a community centre, or indeed if planning permission was sought for the conversion of the property to residential use.

### 3.13 Equality Act 2010

Whilst I have had regard to the provisions of the Equality Act 2010 in making this report, I have not undertaken an access audit nor been provided with such a report. It is recommended that you commission an access audit to be undertaken by an appropriate specialist in order to determine the likely extent and cost of any alterations that might be required to be made to the premises or to your working practices in relation to the premises in order to comply with the Act.

### 3.14 Mineral Stability

The property is not in an underground mining area and a Mining Subsidence Report has not been obtained.

### 3.15 Environmental Factors Observed or Identified

Subject to the statement regarding the limitations on the extent of our investigation, survey restrictions and assumptions, as expressed at 2.11 above, we observed that there were no obvious abnormal ground conditions noted or any evidence of flooding on the site or the presence of contamination on the site including any invasive vegetation.

Asbestos may be present in the construction. While this material remains intact and in good condition the asbestos fibres are likely to be safe but specialist advice should be sought in the event of alteration, maintenance or demolition.

### 3.16 Rateable Value

I note from the Scottish Assessors Website that the Rateable Value is listed as £4,800, the Effective Date being 01 April 2017.

## **4. Valuation**

### **4.1 Valuation Methodology / Approach and Reasoning**

Perth and Kinross Council has received a Community Asset Transfer request for Kinloch Rannoch Outdoor Centre from Rannoch Community Trust who are looking to convert the property to a community centre/ licensed premises providing a flexible meeting place for the local community.

Two valuations have been requested; the Market Value of the property and also the Market Value subject to the Special Assumption that it is on the basis of the proposed use that Rannoch Community Trust intend for the property, this is an onerous restriction and significantly affects the valuation.

#### Market Value

Market Value (MV) is defined by the Royal Institution of Chartered Surveyors in VPS 4, para 1.2 defines MV as:

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

My role is therefore to value the subjects on the above basis, assuming that they have been fully marketed, in this instance I am not to assume that its end use will necessarily be as the community facility as described by Rannoch Community Trust.

The premises would readily convert to residential accommodation and on the assumption that planning permission would be available for such a conversion, it is upon this basis that my valuation has been arrived at.

I have considered the level of interest in the subjects if they were to be placed on the open market and advertised for sale, I have analysed sales and asking prices for a range of properties within Kinloch Rannoch and the wider surrounding area, a sample of these comparables are listed below.

The premises under report could comprise a good size detached house with 4 or 5 bedrooms, whilst investment would be needed to some aspects of the property, little structural work would be required and the current kitchen and bathroom fittings could be adapted to private residential use. Houses of this size sell readily and there is an established second/holiday home market within the area. From the residential sales evidence listed, there is a range of values of between £230,000 and £285,000, the sale of the Former Georgetown School House at Gaur at west end of Loch Rannoch is much lower at £90,000 but we are aware that this was in a very poor state of repair and it is a much more remote location than the subjects.

In formulating my opinion of value I have considered all of the relevant factors pertaining to the nature, condition, location, and situation of the subjects. I have also considered the investment required for conversion to residential and I am of the

opinion that the Market Value is fairly stated at **£250,000**, this being in keeping with the available sales evidence and asking prices.

Market Value subject to the **Special Assumption** that it is on the basis of the proposed use that Rannoch Community Trust intend for the property.

When considering this valuation, I am to assume that its end use will be as a community facility as described by Rannoch Community Trust. Demand within the market place for such a use will be limited, it is assumed that any sale on this basis will be subject to a restriction to Community Use and that the restriction will be binding on future sales of the property.

I have been provided with a copy of the Community Asset Transfer Expression of Interest form submitted to Perth and Kinross Council, it states the following as the reasons for interest in the property:

“The Rannoch Community Trust is looking to facilitate community activity, interaction and business development within Kinloch Rannoch and the surrounding area. The Outdoor centre provides an opportunity to create a modern, well-equipped meeting space for individual and business meetings, community groups and committees and activity planning, promoting business development and group participation in the area.

Part of the building would be converted into a licensed pub serving affordable evening meals, a provision currently only existing in the five star Dunalastair Hotel Suites, or the MacDonald Hotel on Loch Rannoch, both of which are prohibitively priced for locals. This would help recreate a feeling of community conviviality through the sharing of meals and leisure time that is evidently absent from Kinloch Rannoch, and is a key aspect of remote rural life.

An outdoor public seating area with a view of the Alt Mhor waterfall, one of Rannoch's most scenic features, would appeal to all ages as a place to meet and interact with others, and the remaining indoor and outdoor space would be used for leisure and sports activities for the community, with games and equipment.”

In arriving at the valuation I have considered the potential value of the property as a community facility, we do not have any details of the estimated income for the proposed community centre and typically projects such as these are operated on a not for profit basis, with any income generated being used to support the facility. Sales of similar community properties are rarely marketed, the former Tyndrum Village Hall in Cairnlarich sold in August 2018 for £88,000 but this was for conversion to a residential property, the sale equates to £880 per sq m, this was an inferior construction to the subjects but occupies a similar location. The sale of Ardler Primary School in Blairgowrie for £49,000 in March 2018 is also interesting, this equates to £196 per sq m, but this was a C Listed building in poor repair and in need of significant investment which was reflected in the low sale price.

I have also considered the demand for the property as a commercial venture, it would provide reasonable office and /or workshop accommodation and we are aware that the intention is for part of the property to be available to encourage local business

development. The available evidence is for Pitlochry for retail units occupying town centre locations and therefore a much higher level of value is to be expected.

The evidence has been appropriately weighted having regard to location, price, sales date and nature, and having regard to the valuer's knowledge and experience of the area. I have reflected that the subjects comprise reasonable quality accommodation which has been adequately maintained. This valuation is subject to the **Special Assumption** that it is on the basis of the proposed use that Rannoch Community Trust intend for the property, I have therefore adopted a capital rate of £400 per sq m and on this basis I am of the opinion that the Market Value is fairly stated at **£100,000**.

#### 4.2 Comparables

##### Residential Evidence

Former Georgetown School House at Gaur at west end of Loch Rannoch sold by Perth and Kinross Council at Auction in 2019 for £90,000. Property was in poor state of repair, the Gross Internal Area is 163 sqm.

Dall, Rannoch, Pitlochry, 3 bedroom detached stone house, sold subject to contract £285,000. The two storey detached house is situated in 0.7 Hec of garden in a rural setting 5 miles east of Loch Rannoch.

Dall, Rannoch, five bedroom 1960's detached villa surrounded by a large garden and situated close to the banks of Loch Rannoch sold May 2019 £285,000.

Riverside Cottage, Kinloch Rannoch sold November 2018 £230,000, this is a single storey modernised cottage with 3 bedrooms, garage, and summerhouse overlooking the river.

The Steading House Auchleeks, Calvine Pitlochry currently advertised as Under Offer at £250,000. B-Listed stone former steading courtyard with a large byre, a store, a bothy and a stable. Planning consent in place for a change of use to a large 3 bedroom residential property.

##### Non Residential Evidence

Former Tyndrum Village Hall Cairnlarich sold August 2018 £88,000, located on the West Highland Way at the northern end of Loch Lomond and The Trossachs Nation Park. Traditional construction, rendered under a pitched profile metal clad roof, 100 sq m, sale equates to £880 per sq m. The property was sold for conversion to a residential use.

Plumbers Store, Bunrannoch Industrial Estate Kinloch Rannoch sold August 2019 for £32,500, the building is 75 sq m and the sale equates to £433 per sq m.

120-126 Atholl Rd Pitlochry, shop unit over ground floor and basement on main route through the town, sold £230,000 in May 2018, sale equates to £1,167 per sq m.

84 Atholl Rd Pitlochry, former bank/shop unit on main route through the town, 120 sqm sold £192,500 in April 2019, sale equates to £1,600 per sq m.

Former Ardler Primary School Blairgowrie sold £49,000 March 2018. Substantial C Listed traditional former school building of stone and slate construction, had been empty for a number of years the building is 249 sqm and the sale equates to £196 per sq m.

For Sale Foss Church Loch Tummel Grade C Listed stone church 105 sqm surrounded by graveyard which is not for sale, no water supply to property. Asking price £25,000 equates to £238 per sq m.

Former Tenants Meeting Room, Bilsland Road, Glenrothes, sold March 2018 for £30,000. The property comprises a former hall/meeting room contained within a single storey, detached building of traditional brick construction, rendered externally under a flat felt roof, 110 sq m, sale equates to £273 per sq m.

#### 4.3 Opinion of Value

I am of the opinion that the Market Value of the owner's heritable interest with vacant possession is **£ 250,000** (Two Hundred and Fifty Thousand Pounds) as at 12 December 2019.

I am of the opinion that the Market Value subject to the **Special Assumption** that it is on the basis of the proposed use that Rannoch Community Trust intend for the property is **£100,000** (One Hundred Thousand Pounds) as at 12 December 2019.

It has to be stressed that in the current economic conditions and with the property market in a fragile condition there is a greater than normal degree of valuation uncertainty attaching to opinions of market value. As a result the possible range of values for an asset type is wider than normal and in the circumstances I would caution as to the possibility for a need to show some degree of flexibility in the use and interpretation of the reported value for the reasons stated above. In summary I refer to the RICS Professional Standards 2014 UK Edition (VPGA 10 Matters that may give rise to material valuation uncertainty)

#### 4.4 Currency

All prices or values are stated in pounds sterling.

#### 4.5 VAT

I understand that VAT does not apply to this transaction and my opinion of value reflects this. In the event that my understanding is found to be inaccurate, my valuation should be referred back for reconsideration.

#### 4.6 Costs of Sale or Acquisition and Taxation

I have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

#### 4.7 Market Commentary

Following the referendum held on 23 June 2016 concerning the UK's membership of the EU, the impact to date on the many factors that historically have acted as drivers of the property investment and letting markets has generally been muted in most sectors and localities. The outlook nevertheless remains cautious for market activity over the coming months as work proceeds on negotiating detailed arrangements for EU exit and sudden fluctuations in value remaining possible. We would therefore recommend that the valuation is kept under regular review. Should you intend to effect a disposal, we recommend that specific marketing advice be obtained at that time.

### 5. **General Information**

#### 5.1 Status of Valuer

It is confirmed that the valuation has been carried out by Ruby Ashworth MRICS, a RICS Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and is in a position to provide an objective and unbiased valuation.

#### 5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no previous material involvement with the property.

#### 5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

You may wish to consider whether this report contains Exempt Information within the terms of paragraph 9 of Schedule 7A to the Local Government (Scotland) Act 1973 (see section 2 and Part II of Schedule 1 to the Local Government (Access to Information Act 1985) and your Council can treat it accordingly.

#### 5.4 Limits or Exclusions of Liability

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our specific written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

#### 5.5 Validity

This report remains valid for 6 (six) months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

### **6. Recommendations**

#### 6.1 Summary of key issues

The premises comprise a former outdoor centre in a remote village location, the property has been reasonably well maintained and if offered to the market would appeal as a conversion to residential use assuming planning permission was forthcoming.

The Special Assumption valuation assumes that the sale would be restricted to community use, this is an onerous restriction on the property and assumes a limited market which restricts the valuation considerably. Were the property sold on this basis then it is recommended that the sale is subject to a restriction to Community Use and that the restriction will be binding on future sales of the property.

I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.

Ruby Ashworth BSc Hons MRICS  
Senior Surveyor  
RICS Registered Valuer  
DVS



## 7. Appendices

### 7.1 Photographs



Rear Elevation



Former toilet block now a store



Kitchen



Large lounge



## 7.2 Plans

