

CHRIST CHURCH TEDDINGTON DEVELOPMENT AND MARKET APPRAISAL



ADDRESS:

Christ Church
Station Road
Teddington
Middlesex TW11 9AB

CLIENT:

On behalf of the Trustees
Christ Church House Trust

DATE:

16th July 2013

Contents

1. Background Information on Author

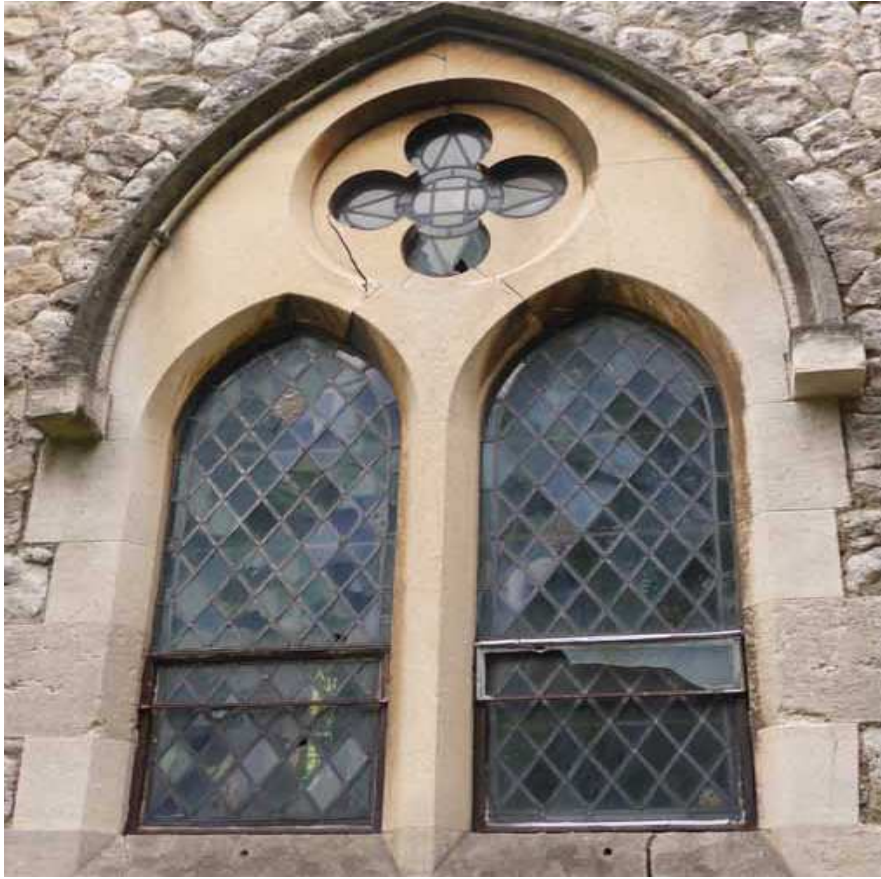
2. Description and Condition

3. Instruction

4. Market Appraisal

5. Summary

6. Conclusion



1. Background information

Milestone Commercial has been providing specialist commercial property consultation and agency services from our Teddington office for 25 years. In conjunction with residential sales and marketing offices and associated professional services with sister office Milestone and Collis Chartered Surveyors we can meet a full range of client specific requirements.

We provide advice and marketing in all aspects of commercial property including retail, office, light industrial, development appraisals and specialise in freehold sales, lettings and acquisitions for landlord and tenants.

This report has been conducted and prepared by Michael P. Martin of Milestone Commercial Agency Ltd. who has 15 years of direct experience in the local property market and has been managing director of the above named agency for 5 years.

1.

2. Description & Condition

Christ Church is located in the heart of Teddington within yards of the High Street and mainline Railway Station (London Waterloo stopping service). It serves an affluent residential suburb in the London Borough of Richmond upon Thames. Considered of Townscape Merit, the church is of standard Victorian-era design (circa 1869) and is stone-clad with a replacement render finish in part and a slate roof over. There are ancillary buildings which appear to be mid-20th century, serving as a church hall and scout hut.

To avoid repetition from enclosed structural and condition reports I have only referred to comments that might impact upon marketing as alternative commercial uses. However, it is clear from these reports (which are to be included in the application) that the church is in a severe state of dilapidation. Previous electrical safety assessments together with the reluctance of insurers to allow any occupation suggest that Christ Church has reached the end of its economic life.

The cost of the upkeep alone is prohibitive. We note, for example, the fact that the church does not have the benefit of being connected to the main sewers but has a septic tank which needs to be emptied on a regular basis at great cost, which would only increase if the planned uplift in community activity were permitted in the current buildings. The current heating system is wholly inadequate for a building of its size, having only low-level oil-filled electric radiators which are unprotected to the touch. There appears to be no meaningful insulation anywhere in the building.

There is a long history of falling masonry and plasterwork, which led to the insurer's decision to remove any public liability insurance or allow any occupancy other than for demolition. As a result the church has had to relocate its core ministry and services to the church hall to the rear.

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N.B. Having been established in Teddington Town Centre for many years, we have always been aware of evidence of made-up ground and gravel sub-soils in this particular part of the town, with an underground river passing nearby or possibly under the church. There have been several incidences of subsidence, notably in Station Road and neighbouring Blackmores Grove. This is assumed to be a consequence of the ravel-quarrying that once took place in the area.

3. Instruction

We have been approached by the trustees of Christ Church to ascertain the viability of the current premises with regards to an alternative beneficial occupation. We assume the church to be classed as D1 use (non-residential institutions including places of worship). Alternative uses within this class include medical and health services, day nurseries and

museums. Other options may also be considered by way of a change of use. If the requisite planning application were to be made, possibilities could include B1 business use, A4/A3 restaurant and bar use, C3 Hotel and B8 storage.

4. Market Appraisal

The property in its current form would, in normal circumstances, be considered suitable for a number of users by way of a commercial tenancy or resale to owner-occupiers or investors. However, again with reference to the structural engineer's report, we would have no alternative but to make the following conclusions:

B1 and D1 alternative users

- a. The property would be unable to secure a letting or sale in the current condition as it is unlikely that any tenant could carry out any reasonable commercial process. Equally, a buyer or lessee could not complete a purchase or lease when unable to secure bank lending or insurance for the premises in the current condition.

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Any person or company entering into a full repairing and insuring lease would be strongly advised to seek a schedule of condition and a buildings survey. The following defects are already noted:

- Woodworm and rot, including roof and floors.
- Extensive failure on the north side around the tower where flint skin walls have been patched. Tile battens exposed.
- Veneer stonework dropping out extensively.
- Dressed stone quoins and brickwork have fractured in a number of places.
- The west ridge stone cross has fallen and now leans with signs of dissolving, represents a continuing hazard.
- The west windows tracery stone work shows severe cracking and displacement.

- The direction of movement either side of cracking may be a bodily movement. In this and point 5 the geological map indicates positioning on the old river bed, which may be the cause of movement but trial holes have been indeterminate.
- The bell tower has extensive rot and requires removal.
- The roof covering is collapsing and slate has been falling into the grounds.
- Complete reroofing is necessary.
- Rusting and missing iron guttering to vestry.
- Plant growth including buddleia to parapets.
- There are multiple points of water penetration causing interior fabric and décor collapse.
- Decorative features such as tiling and plaster mouldings are falling.
- Crazeing, cracking and loosening of lath and plaster.
- Cracked window glass.
- Bulging stained glass lead assemblies close to complete failure and no longer airtight.
- Corroding and failing window mesh.
- Multiple water penetration points along all the nave walls which have been stained in a number of places.
- The original bitumen damp proof course has been pressured out.
- DPC absent to vestibule and rear.
- Concrete floor possibly without DPM.
- Floor tiling detaching.
- No thermal insulation.
- Disconnected oil medium heating due to burn hazard. Impossible to adequately heat.

All of which the Church Trustees would have to repair before any meaningful lease could be attached to the premises.

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- b. Commercial rents and resale values are determined on a £s per square foot basis. Consequently, the costs involved in the structural repairs, remedial works, upgrading of facilities and overall condition would make any letting of the premises commercially unviable.*
- c. The malaise in the commercial property market across the UK continues to impact on all sectors and the London Borough of Richmond is not immune. By attending meetings with council business analysts I receive regular health checks on the borough's economy and I am reliably informed there may be as much as 1 million sq. ft. of office space currently available in the borough along with shop occupancy rates running at 6% void. This is reinforced by the recent radical changes in planning law to allow automatic change to residential use without recourse to section 106 agreements.*
- d. Whilst there has been some success in recent office lettings in Teddington this is generally for high-end, newly refurbished or new-build premises such as Rowan House and Harlequin House which benefit from access floors, suspended ceilings, fibre optic cabling, DDA compliance, air-conditioning and on-site parking.*
- e. Bank lending for commercial property remains stagnant and highly uncompetitive, with loans to value ratios between 60-70 % compared to 90-95% for residential and repayments usually in the region of 5-7% over base rate. Leases on commercial property have been shortened to less than 10 years and banks will normally only lend against the lease length.*

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- f. *Business rates remain a major deterrent to commercial letting and sales. The charitable status of the church would be lost in any subsequent commercial occupancy and entail a revaluation of business rates based on the 2008 peak-market. The negative impact of the recent announcement by the government to delay until 2017 the much-hoped for revaluation from 2008 values is palpable in town centres throughout the borough.*
- g. *The lack of allocated parking (currently 3 spaces, with none designated for disabled drivers) is wholly detrimental to any commercial scheme. There would appear to be little chance of providing parking in line with current planning policy and therefore a refurbishment to office/ D1 use would be effectively unsustainable as the newly created space could house many employees working on a standard 100 sq. ft. per person. We would strongly advise any serious applicant to seek pre-application planning advice before committing to a lease or purchase.*
- h. *In terms of D1 use we are aware that it is very difficult for D1 providers to secure suitable premises i.e. nurseries. However, the current buildings would be unsuitable for such use: they are not DDA compliant, they do not have any suitable outside play spaces, there is no onsite parking or drop-off facilities, nor does the building have the required WC facilities. The cost of heating the premises without any modern insulation would also be prohibitive. The current heating system as mentioned is unsafe. In addition, the church has a long-standing relationship with Asquith Nursery on the adjoining site that forms part of the church estate and this may lead to a conflict of interest.*

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B8 Storage

- a. *Much of the above points A through to F are also pertinent to B8 storage use. In addition to the fact that there are no service doors into the premises, there is no meaningful loading bay or turning area and current floor to ridge height would necessitate a mezzanine floor to be installed to maximise storage space. The fabric of the building would be unlikely to withstand this kind of restructuring. There would also be a requirement for onsite parking which is clearly unavailable.*

C3 Hotel

- a. *Whilst there is still demand for hotel space within the London Borough of Richmond, the recent refurbishment of Park House to a Travelodge (directly opposite the church) and the quantum they provide in terms of budget accommodation with parking would mean that only a boutique hotel could possibly provide a viable alternative. I cannot see anything other than demolition being a solution to the building costs involved. I would also refer to previous comments regarding parking.*

A4/A3 hospitality use

- a. *With the continuing economic issues trading activity has been concentrated into hotspots in primary High Street locations with anything deemed as 'off-pitch' struggling to survive. We note that over the past few years several secondary and tertiary location pubs have been lost to alternative uses in Teddington, Hampton Wick and most severely in Twickenham. The Old King's Head in Hampton Wick is for sale and most recently the Queen Dowager of Broad Street, Teddington has been converted to residential use.*

It is clear from the enclosed reports that the church and buildings offer no hope of beneficial occupation. It is impossible for the church to carry out its ministry in the present circumstances and the long term relationship the church has with community partners is unsustainable. It is impossible to allow on-going pre-booked commitments in the church hall when, for example, funerals are also conducted from the same premises.

Churches are now more than just places of worship and in many cases have become community hubs. They provide daily programmes for everything from dementia care to mother and toddler groups, from crèche facilities to traditional group pursuits such as Scouts and Guides. The church is unable to provide a venue for such activities in the current circumstances. However I note from the enclosed report that should the church be successful in its application the following community groups would be offered regular pre-booked access to the new facilities:

- Little Wrigglers (Music and Movement for toddlers)
- Gideon Bible Society
- Little Kickers (Football for toddlers)
- Richmond and Twickenham Chess Club
- Dance Group
- Teddington Afternoon Ladies Guild
- Scouts
- Community Family Support
- Mental Health support
- Social support (e.g. soup kitchen).
- Local choirs and music groups etc.
- Enhanced youth activities

Costs

The projected costs for the refurbishment and remedial works are beyond the means of the church regardless of planned and responsive repairs.

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In the reports enclosed I note the following comments from the Quinquennial Inspection Report of December 2012 by D. Connally (FRICS), who concludes that it would cost

“In excess of £1m to render the building useable”.

A further Report by Ashten Cost and Project Consultants in January 2013 concluded that the cost to refurbish the church would be

“£1.5m to £2m plus VAT”.

The Church is not VAT registered which would mean a 20% write-off on the costs of refurbishment as opposed to a 0% rating for new-build.

Conclusion

Ordinarily I would suggest full market-value housing as the only viable alternative for the site to provide much needed housing in line with government targets for Greater London and fund a new church facility somewhere in the town. However, this advice would be out of keeping with the parishioners needs and indeed the wider community and the church are very eager not to lose the important role provided to community groups in the current facility.

However, we understand that an ‘enabling scheme’ is proposed whereby in return for a new church facility on the existing bold kerbside site the trustees would allow development of the remainder of the land for social/care use without recourse to full market value accommodation.

This seems an eminently sensible proposal in providing a modern multi-purpose facility with long-term booking facilities open to all members of the community.

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With this in mind we feel the only option open to the church is to seek demolition of the existing redundant buildings by way of an enabling partnership to provide social/sheltered housing on the adjacent land.

This information is provided in good faith and without prejudice.

Signed:

Michael P Martin
Managing Director

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