

Your Ref:  
My Ref: OFJ/JC/M64/0180

Ms O Wladon  
Clerk, Stradbroke Parish Council  
Mill Hill House  
Church Lane  
Wickham Skeith  
Suffolk  
IP23 8NA

24 June 2016

Dear Ms Wladon

**Re: Land and Premises (The Doctors' Surgery) at Wilby Road, Stradbroke**

I write further to our telephone conversation on Tuesday evening, having had an opportunity to review the copy lease you kindly provided dated 8<sup>th</sup> November 1996 between Stradbroke Parish Council (the Landlord) and Stradbroke Health Trust (the Tenant).

My interpretation of the rent review provisions within the lease is that the premises the Stradbroke Health Trust constructed during the late 1990s can be rentalised on the assumption/basis that any capital loan the Stradbroke Health Trust took to construct the doctors' surgery on site has now been repaid. If that is the case, and my interpretation of the rent review provisions is correct, then the open market rent for the doctors' surgery should be agreed with the Tenant, and moving forward, that rent paid to the Parish Council.

However, and as inferred above, I feel that the wording of the lease is vague, and the definition of 'the premises' has not been sufficiently clarified. The lease initially defines the premises as the area of ground the doctors' surgery occupies, but once the aforementioned capital loan had been repaid, the definition of the premises should have been expanded to include the building itself.

Without undertaking a detailed inspection and measurement of the premises it would not be possible for me to advise on the rental value of the doctors' surgery. However, the current rateable value is £10,250, which tends to be a conservative assessment of the rental value of a building. Having established this information I would suggest that the rental value of the doctors' surgery could, potentially, be in the region of £12,000 per annum.



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You have also asked that I advise on what I consider a suitable ground rent to be. This is difficult to gauge as very few (if any) ground leases are offered to the market to create rental evidence. Instead, usually, a ground rent is agreed/fixed at the commencement of a lease, and then that ground rent is increased in line with some type of index, or calculated as a percentage of the open market rent of the actual building.

However, taking into consideration parcels of land that have been let in the area, and making allowances for the geographical location of the subject site and the size of the subject site, I would suggest a reasonable and fair ground rent is probably in the region of £1,200 per annum (£100 per calendar month).

I hope that my thoughts and comments above assist the Trustees of the Parish Council, but should any further queries arise from your next meeting, then please do not hesitate to contact me. In the meantime, please find enclosed a fee invoice to cover the time I have spent on this matter.

Yours sincerely



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Enc.