2 March 2005

Lennoxtown Initiative  
51-53 School Lane  
LENNOXTOWN  
G66 7LX  

FAO Mr Tom Campbell

Dear Sirs,

SITE AT FORMER LENNOX CASTLE HOSPITAL, LENNOXTOWN.

We refer to your instructions of 24 January 2005 to provide you with an opinion as to the current Market Value of Subjects as hereafter described at the above location. On the basis of our knowledge of the site and after making all necessary investigations, we now have pleasure in submitting our formal written Report.

LOCATION

The Subject site is situated within the grounds of the former Lennox Castle Hospital, on the south-west side of the A891 Lennoxtown to Strathblane road approximately one mile to the north-west of Lennoxtown village centre. Lennoxtown is a small village sitting at the foot of the Campsie Fells in East Dunbartonshire approximately 8 miles to the north of Glasgow city centre.

Lennoxtown is in a rural location to the north of the Glasgow conurbation, the nearest main settlement being Kirkintilloch, approximately three and a half miles away to the south-east via the B757. The surrounding area can be described as being of outstanding natural beauty underneath the Campsie Fells which are an attraction to walkers and day trippers. Lennoxtown however is not situated on a main arterial route linking any of the central belts main towns and therefore could be described as being somewhat isolated. The Village provides local amenities with further district amenities available in Kirkintilloch.

The most direct route to Glasgow city centre and the M8 motorway is via Torrance and Bishopbriggs and although only eight miles or so away can be rather slow. An alternative route to the M8 is via the M80 extension at Stepps via Milton of Campsie and Kirkintilloch. Limited public road services link Lennoxtown to Glasgow city centre.

The general location of the Subjects is shown on the attached OS extract.

DESCRIPTION

The Subjects comprise an irregular shaped plot of land known as the ‘upper site’ within the former Lennox Castle Hospital grounds.
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The site generally rises steadily from the north-east to the south-west and extends in total to 19.76 Ha (48.84 acres). The site area is mainly un-bounded and defined by a network of former hospital roadways or is un-defined.

Approximately one third of the site, generally lying in the centre and towards the east boundary, is ‘brownfield’ in nature, being the solum of the previous hospital buildings. The concrete foundations of the former buildings remain in situ. More generally, the former hospital roadway network remains in situ although the road surfaces are falling into disrepair and generally the area is becoming overgrown with vegetation and grasses. Mature trees are present around the Subjects and particularly along the southern fringe of the site.

Lennox Castle and policies sit immediately to the north-west of the Subjects.

The Subjects are accessed by a roadway from the A891 over a bridge which crosses the Finglen Burn/Glazert Water and then skirts around the north and west of the ‘lower hospital site’ before running along the eastmost boundary of the Subjects. A roadway leads into the Subjects off this main ‘spine’.

The Subjects have an outstanding aspect looking north to the Campsie fells. However, land topography results in the Subjects not being visible from the A891 and are afforded a significant degree of privacy.

A plan showing the Subject site is attached.

**TENURE**

We understand that the Heritable interest in the Subjects is owned by the NHS Greater Glasgow Board.

We have not had sight of the title deeds relating to the property but have assumed that the title deeds contain no unduly onerous ground burdens or conditions that would materially affect value. We have assumed that there are no title conditions which would affect any future use of the Subjects.

It is our understanding that any proceeds from potential disposal of the Subjects are to be diverted into the Lennoxtown Initiative, an economic and social Partnership formed by Scottish Enterprise Dunbartonshire, NHS Greater Glasgow and East Dunbartonshire Council.

We understand that there are no material leases burdening the Subjects.

**SITE SERVICES**

We have not had access to any reports in respect of utility services to the site.

Given the ‘brownfield’ nature of the site and previous use as a hospital, we have assumed that surface and foul drainage, water, electricity and telecommunications are readily available for possible future low density development without giving rise to abnormal cost.

We understand that the Lennox Castle Hospital site has its own sewerage treatment works.
SITE CONDITIONS

We have not carried out any site investigations to determine the soil composition, mineral stability or geology of the site as such investigations are outwith the scope of this instruction, nor have we had access to any site investigation reports which might have been prepared.

We understand that the area within which the Subjects are situated has no history of underground mineral workings and we believe it is unlikely that the support qualities of the site from this point of view are in question.

We are not aware of any tests in respect of soil composition. Given the previous use of this ‘brownfield’ site as a hospital, there is a risk of superficial localised contamination from clinical waste and the like.

We are not aware of any geology reports in respect of the Subjects. We have assumed that surface geology will not impose any abnormal constraints upon possible future development of low rise commercial or residential buildings.

In the absence of any specific information we have assumed for the purposes of this Report that the Subjects are capable of supporting low rise modern buildings without incurring any abnormal development cost.

ENVIRONMENTAL ISSUES

We have not carried out an Environmental Audit of the site as such an audit is outwith the scope of our instructions. Given the ‘brownfield’ nature of the Subjects we are of the opinion that any intending developer would be prudent to undertake environmental assessment of the Subjects. For the purposes of this Report however, we have assumed that the Subjects are free from any abnormal constraints, in this case such as clinical waste.

TOWN PLANNING

We have not made any detailed enquiries to the Local Planning Authority as this requires a written request and payment of a fee.

Local Planning Policies are controlled by East Dunbartonshire Council. The Strategic Planning area is The Glasgow and Clyde Valley Strategic Plan.

Whilst we have not made any written or verbal enquiries to the Planning Authority, the Draft consolidated Local Plan, the report of the Local Enquiry and January 2005 approved modifications to the Draft plan are published on the Council’s website.

The Subjects are within an area covered by the East Dunbartonshire Local Plan which plan became operative on 18 February 2005. The Subjects are within an area designated as Greenbelt within the operative Local Plan.

The greater Lennox Castle Hospital Site within which the Subjects are situated is covered by Policy 3.1 Urban Capacity under Schedule UC 2D which states that the ‘lower site’ will be suitable for housing, subject to other Local Plan policies, with a capacity of 350 units. The lower site is within the Lennoxtown
village boundary. The remainder of the hospital site within which the Subjects are located is designated for 'appropriate countryside uses'.

There is presumption against development in the Greenbelt except in specified circumstances including agricultural use, outdoor recreation and tourism.

**MARKET TRENDS AND GENERAL COMMENTS**

The Subjects are situated within an area of significant natural beauty which is designated as Greenbelt within the East Dunbartonshire Local Plan and the Glasgow and Clyde Valley Structure Plan. Although the Subjects are physically of a 'brownfield' nature, the Planning status impact severely upon potential future use of the site.

The Local Plan provides for a significant release of land for residential development on the 'lower' Lennox Castle Hospital site and Local Planners have indicated that they will strongly resist any proposal to have the 'upper' Subject site similarly designated. Any potential residential use therefore must be considered extremely remote and for some considerable time to come.

Greenbelt definition in the Local Plan presumes against any development except in the case of a number of prescribed circumstances. Any development must conform to an 'appropriate countryside use' and has been defined as including agriculture, agricultural development, rehabilitation of existing buildings and notably Tourism and outdoor recreation. Although this is a quite open definition, we would envisage for example hotel, golf course or equestrian uses as being acceptable. We must therefore consider whether any market exists for such use in this location and if so, arrive at an appropriate level of Market Value.

It is our opinion that hotel development in this location would not be attractive to developers and end users. Lennoxtown is not on a major tourist route and the market for overnight stays must be considered extremely limited. We would not expect any interest on the open market at the present time for a hotel development. Of the alternatives, we do not envisage golf course development as being attractive: the site is too small for a full size course but could take a small course with say an associated driving range. However, there has been a spate of golf course development in recent years throughout the country and Clubs are under-subscribed. Golf is well provided for in the area at present and we do not believe marketing for golf course use would produce any interest or if so, at very low realisation values. As regards equestrian use, given that significant ground works would be required to grub up hardstanding and roads, any land values would be minimised and such a proposal un-economic. Other forms of countryside uses have been considered but we are of the opinion that Lennoxtown is not an appropriate location or development would be uneconomic.

After considering the matter carefully, it is our conclusion that notwithstanding our comments on the planning designation in respect of residential development, given the insatiable appetite for development land from house builders, we are of the opinion that should the Subjects be exposed on the open market for sale, interest would be expressed from national house builders on a 'land banking' basis. There is evidence from other locations that house builders are prepared to take a long term view to acquiring land for future development. We would conclude that on the basis the site is 'brownfield' and residential development is planned on the adjoining site, Developers will be prepared to expose themselves to a degree of risk and surmise that there is an inevitability about a future change in planning designation some time in the future. It is on this basis that we have arrived at our opinion of value to follow.
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OPINION OF VALUE

Given the foregoing, after careful consideration we are of the opinion that the current Market Value of the Heritable interest in the Subject site as previously described is £480,000 (four hundred and eighty thousand pounds).

Market Value is defined as:

'The price at which land and buildings could be sold under private contract between a willing seller and an arms length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that the market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of the sale'.

We trust that the foregoing is clearly stated but should you require clarification on any matter then do not hesitate to contact us. In the meantime may we take this opportunity of thanking you for your instructions in this matter.

Yours faithfully,

[Signature]

INGLIS & PARTNERS