

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURT**

**Claim No: 14B11369**

**BETWEEN:**

**POOR LANDOWNER**

**“CLAIMANT”**

**AND**

**NASTY DEVELOPER LTD**

**“DEFENDANT”**

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**EXPERT VALUATION REPORT**

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**PREPARED**

**BY**

**N L JONES BSc FRICS ACI Arb**

**Chesters Commercial Ltd  
First Floor, Motivo House, Yeovil, Somerset, BA20 2FG**

**ON BEHALF OF**

**THE DEFENDANT**

## 1.0 INTRODUCTION

1.1 This is an Expert Valuation report prepared for the High Court of Justice, Chancery Division, in relation to Claim Number 14B11369. It has been prepared upon the instructions of Low Life, Solicitors, Cathedral Court, London, ("**Low Life**") on behalf of the Defendant, Nasty Developer Ltd ("**Nasty Developer**").

1.2 The report is in connection with a claim made by Poor Landowner ("**Landowner**") against Nasty Developer in relation to land at Lovely Village, Somerset.

1.3 In preparing this report, I have carried out the following investigations and considered the various documents listed below:-

- 1) I have inspected the Property.
- 2) I have considered:-
  - a) The amended Particulars of Claim dated the 20<sup>th</sup> February 2018.
  - b) The Defence dated the 4<sup>th</sup> June 2018.
  - c) The Option Agreement dated the 13<sup>th</sup> July 2000.
  - d) A Section 106 Agreement under the Town & Country Planning Act 1990 dated November 2016.
  - e) The Supplemental Deed to the Section 106 Agreement dated April 2017.
  - f) Outline planning approvals under Reference Nos. AB/16/02676/OUT and AB/17/02681/OUT.
  - g) The advice prepared by Fred Smith BSc MSC MIHT of Highways R Us on transportation issues.
  - h) The advice prepared by Joe Bloggs BSc (Hons) MSc MRTPI of Urban Planning on planning related issues.
  - i) Cost of construction information provided by Nasty Developer.

## 2.0 PERSONAL

- 2.1 This report has been prepared by **Nigel Lawson Jones BSc FRICS ACI Arb.**
- 2.2 I hold a Bachelor of Science Honours Degree in Estate Management gained at the University of Reading in 1977. In my year of Graduation, I was awarded the University Prize for Valuation.
- 2.3 I became an Associate of the Royal Institution of Chartered Surveyors ("**RICS**") in 1980 and was subsequently elected as a Fellow of the Institution in 1990. I have therefore 39 years experience as a qualified Chartered Surveyor. I became an Associate of the Chartered Institute of Arbitrators in 1986.
- 2.4 I am one of three Directors of Chesters Commercial Ltd which is a specialist Commercial Property and Development Land consultancy based in Yeovil, Somerset. The principal focus of my practice for the last 20 years has related to various aspects of development land including valuation, acquisition and disposal. I carry out those functions over a wide geographic area throughout southern Britain with current instructions from Oxfordshire to Devon.
- 2.5 I am a member of the Panel of Arbitrators and Independent Experts appointed by the President of the RICS, specialising in development land disputes. I am appointed on a wide range of cases dealing with all aspects of development land including the exercise of Options, the valuation of affordable housing and disputes concerning infrastructure and cost principles. Recent instructions have included appointments as:
- a) Arbitrator in relation to the value of an urban extension for 2,500 houses.
  - b) Independent Expert appointed by a Council in relation to abnormal cost issues concerning the redevelopment of a Hospital in North Wales.
  - c) Expert at the Lands Tribunal concerning the value of a significant development site in connection with compulsory purchase compensation.
  - d) Independent Expert dealing with a 2,000 house urban extension to a major city.
  - e) Arbitrator on the development value of an 800 house residential development in the Home Counties.

- 2.6 I was appointed as one of the founder members of the Planning Inspectorate (“PINS”)/RICS Expert Advisors to the Planning Service (EAPS) although this system has now lapsed. When it was functioning, I was appointed by PINS to advise on development land viability issues on the London Core Strategy, the Country District Council Core Strategy and the Greater City Core Strategy.
- 2.7 I was one of the instigators of the RICS review of the effect of planning obligations on development land viability and became one of the core working party members in producing the RICS Professional Guidance Note “Financial Viability in Planning”.

### 3.0 FACTUAL BACKGROUND

- 3.1 In 2000 an Option Agreement was entered into between Poor Landowner's predecessors in title and Nasty Developer whereby Nasty Developer had the option to purchase a substantial area of land on the south western side of Lovely Village in Somerset, subject to planning permission being granted for its development.
- 3.2 The land that was held under option by Nasty Developer is shown outlined in red on the plan attached to this report as **Appendix A ("the Red Land")**.
- 3.3 In order to facilitate the development of the Red Land, major infrastructure works were required and in particular the construction of a substantial relief road which was likely to form the western boundary of any development.
- 3.4 Nasty Developer duly submitted an outline planning application and by virtue of an approval granted by Silly District Council, under reference AB/029/15, planning permission was granted for the development of the Red Land. The grant of planning consent was subject to the completion of a Section 106 Agreement under the Town & Country Planning Act 1990 which, inter alia, dealt with various matters concerning the provision of infrastructure to service the site.
- 3.5 The Red Land however, was not the only land that was considered suitable for development as a result of providing the various infrastructure. In particular, land to the east of the Red Land which was in third party ownership was also considered appropriate for development, especially if planning permission was granted for the Red Land which would in effect mean that the adjoining land was surrounded by development. In this matter that land is known as the Blue Land, the extent of which is shown outlined in blue on the plan attached to this report as **Appendix A ("the Blue Land")**.
- 3.6 At that time the Red Land and the Blue Land together represented the largest single housing development proposal in Lovely Village and as a consequence the Local Authority were keen to ensure that there was a co-ordinated development of the total site.

- 3.7 In the Section 106 Agreement attached to the grant of planning approval for the development of the Red Land (**"the Section 106 Agreement"**), there was a covenant on behalf of the owners of that land to provide a road and appropriate services suitable for adoption to facilitate the development of the Blue Land.
- 3.8 It also anticipated that the owners of the Red Land might enter into a Deed of Easement with the owners of the Blue Land to facilitate the development of the Blue Land by granting to the owners of the Blue Land the necessary rights to link to the roads and services being laid on the Red Land.
- 3.9 The granting of this easement was subject to the owners of the Blue Land paying the owners of the Red Land a consideration known as the Connection Charge (**"CC"**) the details of which are set out in the definitions in Clause 2 to the Section 106 Agreement.
- 3.10 In May 2017 Nasty Developer served a notice on Poor Landowner to acquire the Red Land.
- 3.11 By virtue of a Supplemental Agreement to the Option Agreement dated the 20<sup>th</sup> June 2017, it was agreed that Nasty Developer would buy the Red Land at a price of £36,286,400 and this was effected by a Transfer dated the 6<sup>th</sup> August 2017.
- 3.12 Within the Option Agreement there were provisions that in the event certain payments were received from owners of any adjoining land, they would be shared between Nasty Developer and Poor Landowner in agreed proportions.
- 3.13 On the 6<sup>th</sup> November 2017 Nasty Developer entered into a conditional contract to buy the Blue Land. Nasty Developer subsequently acquired the Blue Land.
- 3.14 The basis of the claim now being made by Poor Landowner against Nasty Developer is that the CC is now payable. This is being resisted by Nasty Developer on the basis that they deny that access needs to be provided to the Blue Land from the Red Land.
- 3.15 The full details of the claim by Poor Landowner are set out in the amended Particulars of Claim and the position of Nasty Developer is detailed in the Defence.

#### 4.0 INSTRUCTIONS

4.1 As confirmed by a letter dated the 4<sup>th</sup> March 2018 from Low Life, Solicitors, I am instructed to provide my expert opinion on the following matters:-

1. The Open Market Value (or more properly now defined by the RICS as Market Value) of the Blue Land as at the 30<sup>th</sup> May 2017 based on the actual planning permission in force at that time and with rights to connect to and use the roads (and services) on the Red Land.
2. The Open Market Value of the Blue Land as at the 30<sup>th</sup> May 2017 assuming it does not have rights to connect to and use the roads (and services) on the Red Land. When approaching that valuation I am asked to consider the possibility of alternative residential schemes for the Blue Land using different points of access.
3. Whether the method for calculating the CC within the Section 106 Agreement reflects the sort of commercial arrangement that I would expect a reasonable owner of the Red Land and a reasonable owner of the Blue Land to have agreed between them for the grant of rights to connect to and use the roads (which I have taken to include services) on the Red Land as envisaged in Clause 13.2 of the Section 106 Agreement.
4. Whether as at the 30<sup>th</sup> May 2017 a reasonable owner of the Blue Land would be prepared to pay the CC in return for the grant of rights to connect to and use the roads (and services) on the Red Land as envisaged in Clause 13.2 of the Section 106 Agreement.
5. If the answer to question 4 above is “no” what sum would a reasonable owner of the Red Land and a reasonable owner of the Blue Land have agreed as at the 30<sup>th</sup> May 2017 for the grant of rights to connect to and use the roads (and services) on the Red Land.

4.2 In providing the valuation advice requested, I have been instructed by Low Life to assume the following facts:-

- a) The Valuation Date is the 30<sup>th</sup> May 2017 (“**the Valuation Date**”).
- b) The gross acreage of the Red Land is 250 acres.
- c) The gross acreage of the Blue Land is 50 acres.
- d) The net residential area of the Red Land is 125 acres.
- e) The net residential area of the Blue Land is 25 acres.
- f) The cost of the works for the Relief Road is estimated at £7,000,000.

g) Any work in progress at the Valuation Date in respect of construction works on the Red Land should be ignored.

4.3 I have also had to obtain specialist planning and in particular transportation advice, as I explain below.

## 5.0 METHODOLOGY OF VALUATION

- 5.1 The valuation of development land such as the Blue Land can be approached by two acknowledged methodologies i.e. the comparison or the residual method.
- 5.2 The RICS Valuation Information Paper 12, entitled “The Valuation of Development Land” sets out the circumstances in which each valuation technique is considered appropriate together with the methodologies of using them.
- 5.3 It is unusual in providing a valuation that there are direct comparables that can be utilised in isolation. In this particular instance part of the Blue Land has been sold to Hopeless Homes by virtue of an agreement entered into on the 11<sup>th</sup> June 2017 i.e. only some 12 days after the Valuation Date (“**the Hopeless sale**”).
- 5.4 In normal valuation circumstances other comparable evidence could be considered, but inevitably that would require some degree of subjective analysis in terms of location, topography, date of sale etc, whereas no subjective adjustments need to be made in respect of the Hopeless Homes land which formed part of the site that I am instructed to value.
- 5.5 I have also considered carrying out the valuation by a residual calculation, but as there are so many subjective variables in such a valuation, I do not consider it to be as reliable in this instance compared with a valuation by reference to the comparable provided by the Hopeless Homes sale.

## 6.0 VALUATION OF THE BLUE LAND AS AT 30<sup>TH</sup> MAY 2017

- 6.1 As I have set out above, in this particular instance I have utilised the comparable evidence of the transaction that took place in relation to parts of the Blue Land almost immediately after the Valuation Date to provide the appropriate evidence to value the whole of the Blue Land.
- 6.2 From the analysis of the relevant transaction, I confirm that in my opinion the value of the open market plots was a figure of **£120,922** per plot and the value of the affordable housing plots was **£2,036** per plot.
- 6.3 The total number of plots that were either approved or anticipated to be approved on the whole of the Blue Land is 382 plots. Within the main phases of the scheme, there are 180 open market plots in Phase 2 and 12 affordable housing plots. Planning approval was granted shortly after the Valuation Date for 9 open market dwellings in Phase 3 and applications have now been made for Phases 4 and 5 for a total of 156 open market dwellings and 25 affordable dwellings.
- 6.4 The total open market dwellings therefore within the whole of the Blue Land is anticipated to be 345 units with 37 units of affordable housing. Although this analysis of the number of units capable of being developed on the Blue Land is in part based on schemes after the Valuation Date, as confirmed by the advice provided on planning matters by Mr Bloggs referred to below, I believe that this or a substantially similar scheme would have been approved at the Valuation Date.
- 6.5 Using the figures set out above, this shows that the gross value of the Blue Land is the sum of **£41,793,422**.
- 6.6 The development costs of the construction of the Relief Road, which I have been instructed to assume are estimated at **£7,000,000**, must however, be deducted because such construction was a pre-requisite of the development of the Blue Land. In addition, I have also deducted a sum to reflect abnormal build costs. Inevitably on a site of this size there are abnormal costs of construction which deal with either off site works or on site issues such as service diversions, over-sized roads, adverse ground conditions requiring piling and excess spoil removal. I am advised by Nasty Developer that these total **£2,669,158**.

- 6.7 This gives a net figure for the Blue Land of **£32,124,264**.
- 6.8 In my opinion however, it is unrealistic to assume that, at the Valuation Date, any one purchaser would acquire the land for a single lump sum payment. It is far more likely that payments would have been deferred over a period of years to reflect the substantial investment, costs and a risk element that the market may change over a period or that the purchasers would default together with other holding costs required by a single upfront payment. It is appropriate in my opinion to spread the payments and as a consequence discount those back to a single day one payment.
- 6.9 I therefore advise that this leaves a net value of the Blue Land as at 30<sup>th</sup> May 2017 of **£27,610,772** say **£27,600,000**.

**7.0 VALUATIONS OF THE BLUE LAND IN ACCORDANCE WITH THE SCENARIOS SET OUT IN THE LETTER OF INSTRUCTION DATED 4<sup>th</sup> MARCH 2018.**

**Q1. *“The Open Market Value of the Blue Land as at the 30<sup>th</sup> May 2017 based on the actual planning permission in force at that time and with rights to connect to and use the roads (and services) on the Red Land.”***

7.1 I have set out in paragraph 6.9 above my opinion as to the **Open Market Value** of the Blue Land on this basis. I therefore confirm that in my opinion this is the figure of **£27,600,000**.

**Q2. *“The Open Market Value of the Blue Land as at the 30<sup>th</sup> May 2017 assuming it does not have rights to connect to and use the roads (and services) on the Red Land. When approaching that valuation I am asked to consider the possibility of alternative residential schemes for the Blue Land using different points of access.”***

7.2 In order to provide an Open Market Value of the Blue Land assuming it does not have rights to connect to and use the roads (and services) on the Red Land, it is necessary to understand what potential options the owner of the Blue Land had in order to provide a developable access to the Blue Land.

7.3 One of the routes that could have been taken would have been to pay the CC to allow access to the Red Land and in simplistic terms the relevant charge would then be deducted from the value of the Blue Land. If one did that, based on the Open Market Value set out above, and the calculation of the CC as set out in the Section 106 Agreement at circa **£14,200,000**, the Open Market Value of the Blue Land on this basis would be **£13,414,881**, say **£13,400,000**.

7.4 An owner of the Blue Land however, would not have to follow the CC route as the formulation of the CC was in the Section 106 Agreement entered into by the owners of the Red Land. In consequence there was no contractual obligation on behalf of the Blue Land owners to follow that route.

7.5 An alternative approach is to consider a ransom position. When a party needs access across a third party’s land to facilitate development of their land, a ransom payment is normally paid with the level of that ransom being negotiated in the light of the well-established principles set out in the case known as *Stokes v Cambridge City Corporation* (“**Stokes and Cambridge**”).

- 7.6 The principles within Stokes and Cambridge were that the owners of the land over which access is required (being the only available route) are entitled to a percentage of the net development value i.e. value over and above its existing use value, with the normal percentage being considered to be one third. Stokes and Cambridge itself contemplated that the owners of the access could be entitled to a payment up to 50% of development value but in the circumstances in that case it was considered that a third was appropriate. I have carried out negotiations for ransom payments where figures as low as 15% to 20% and as high as 45% to 50% have been negotiated but inevitably each situation depends upon the merits of the individual case, whether or not there was any possibility of alternative access and in particular the negotiating strength of the parties involved.
- 7.7 There is therefore no fixed percentage but as a rule of thumb a figure in the region of one third of the net development value is often used. Using this approach, the Market Value of the Blue Land would be **£18,400,000** i.e. £27,600,000 less £9,200,000.
- 7.8 Although the District Council as the local planning authority had anticipated that the Blue Land would be developed utilising the road and services on the Red Land, if the Blue Land owners however, could find an alternative route and also obtain planning approval for the development of the Blue Land without having to connect to the Red Land, then the value of such an approval with its alternative costs would have to be considered and weighed up against the potential value and cost of accessing via the Red Land.
- 7.9 As at the Valuation Date of the 30<sup>th</sup> May 2017, the Blue Land had the benefit of outline planning permission. As it was envisaged that access to the Blue Land would be through the Red Land, Condition 16 of the permission stated that the means of access to the site should not be otherwise than from a new estate road leading to the Relief Road. Furthermore, it stated that, other than pursuant to Condition 13 which related to emergency access only,
- “no means of vehicular access should be created from Acacia Avenue or High Street”*
- 7.10 It is clear therefore that at the Valuation Date the Local Planning Authority’s formal position in this matter was that access should only be to the Relief Road via the Red Land.

- 7.11 In order to assess however, whether it was likely that any alternative planning approval could have been obtained, which could materially impact on any valuation, I have required further expert advice to assist me. As a consequence, I requested that Low Life obtain specialist planning and in particular highway advice to assist me.
- 7.12 Low Life nominated appropriate experts from relevant professional firms known to me. Low Life prepared draft letters of instruction upon which I was asked to comment. I suggested that additional information would be needed from them both, and this was duly included in the relevant letters of instruction. The questions for the planning expert were varied slightly, after I had seen and approved the proposed revisions. .
- 7.13 The subsequent advice to me of Fred Smith BSc MSC MIHT of Highways R Us, relating to highway matters and Joe Bloggs BSc (Hons) MSC MRTPI of Urban Planning in relation to planning matters are attached to this report.
- 7.14 The conclusions of Mr Smith’s advice on highway matters suggests that there were, in technical terms, 3 possible alternatives to accessing the Blue Land from the Red Land. Following an analysis of all those alternatives, his preferred route is Option 3 utilising Acacia Avenue as the main vehicular access, with an emergency access as part of Option 2 also being required. Paragraph 8.2.1 of his advice sets out his conclusions as follows:-

*“My above conclusions enable me to advise that;*

- *The configuration of Acacia Avenue and the access to the site can be upgraded from its current form to provide suitable access to the Blue Land;*
- *The link capacity of Acacia Avenue is suitable to accommodate the increase in traffic;*

- 7.15 In providing the preferred alternative access solution, there would of course be cost implications but it is understood that no third party land is required and that all the required road improvements can be delivered within existing highway land. As a consequence, there would not be a ransom from any other third party.

- 7.16 I have also considered the advice of Mr Bloggs in relation to whether or not, at the Valuation Date, it was likely that planning approval would have been granted for access to the Blue Land from an alternative route from a planning perspective.
- 7.17 Mr Bloggs highlights in paragraph 4.40 of his advice, having considered the technical advice of Mr Smith in relation to providing an alternative access to the Blue Land via primarily Acacia Avenue, that notwithstanding anticipated local opposition to such a proposal, a revised planning approval would have been forthcoming utilising Acacia Avenue as an alternative primary means of access as opposed to access across the Red Land.
- 7.18 In paragraph 4.41 of his advice he suggests that it would be likely that some small modifications to the layout to facilitate the different access arrangements would have been required, but the general form, approach and quantum of the development would have been unlikely to have needed to be modified.
- 7.19 As a consequence, the expert advice of Mr Smith and Mr Bloggs would suggest that, notwithstanding the conditions within the extant planning permission at the Valuation Date, from both a highways and planning perspective there was a significant likelihood that planning approval would have been obtained for the development of the Blue Land via an alternative access route.
- 7.20 This therefore leads to a third approach in considering the Open Market Value of the Blue Land on the basis that an alternative planning approval could be obtained by the owner of the Blue Land whilst taking into account any likely changes to the Section 106 requirements. This means in particular that I have increased the affordable housing provision to 20% due to changes in circumstances.
- 7.21 In valuing the Blue Land on this basis, I have also had to consider the physical costs of providing the alternative access arrangements as advised by Mr Smith of approximately **£125,000** to which there should be added planning and other technical fees. The maximum potential exposure of the owner of the Blue Land to the physical and technical costs involved in achieving an alternative access would therefore be say **£200,000**. I have then re-calculated the value of the Blue Land based upon such an alternative planning approval at a figure of

**£23,350,000** which takes into account both additional technical costs and the increase in affordable housing.

7.22 There was however, a risk that a planning approval would not be forthcoming on the basis anticipated by Mr Bloggs, and it is therefore necessary to deduct a further amount from the value of the Blue Land to reflect that risk.

7.23 The risk according to Mr Bloggs however, is relatively limited but nevertheless there would be a time related and speculative risk that would have to be considered. I have therefore reduced the value of the Blue Land on this basis by **10%** to reflect a subjective view of that risk.

7.24 In my opinion therefore, the **Open Market Value of the Blue Land** on this basis is the sum of **£21,015,000** say **£21,000,000**.

7.25 I have therefore considered three different approaches to calculate the Market Value of the Blue Land on the assumption that it did not have access and rights to connect to services over the Red Land. Having done so, I am of the opinion that the correct method is the third approach namely by valuing the Blue Land on the assumption that planning approval would have been forthcoming for an alternative development, using access other than across the Red Land or any other third party land. I set this out in tabular form below;

		<b>Open Market Value of the Blue Land</b>
<b>Option 1</b>	<b>Paying the CC</b>	<b>£13,400,000</b>
<b>Option 2</b>	<b>Paying a Stokes v Cambridge ransom</b>	<b>£18,400,000</b>
<b>Option 3</b>	<b>Using an alternative access</b>	<b>£21,000,000</b>

**Q3. “Whether as at the 30<sup>th</sup> May 2017 a reasonable owner of the Blue Land would be prepared to pay the CC in return for the grant of rights to connect to and use the roads (and services) on the Red Land as envisaged in the Section 106 Agreement.”**

7.26 I have set out above what I consider to be the CC payment which amounts to **48%** of the Market Value of the Blue Land. Payment of that sum by the owner of the Blue Land would only have been made if, firstly there was no alternative access solution, and secondly the owner of the Red Land took an extreme negotiating position by refusing to accept that there was a chance of the Blue Land owner finding an alternative access, or gambling that the Blue Land owner would not proceed with a development of the Blue Land without access over the Red Land.

7.27 From the advice I have been given by Mr Smith and Mr Bloggs it is clear that it is likely that planning permission for the Blue Land would have been granted as at the Valuation Date with an alternative means of access which would negate any need to make a payment in accordance with the CC or a ransom payment to the owner of the Red Land.

7.28 There would of course be, as indicated above, costs of pursuing that alternative and an element of risk in pursuing that course of action. Bearing in mind however, the considerable benefit to the owner of the Blue Land in pursuing that alternative, it is in my opinion extremely unlikely that he would be prepared to either pay the CC or a ransom to the Red Land owner, unless and until there came a time when he had fully exhausted all possible opportunities to access the Blue Land from an alternative route.

**Q4 “If the answer to question 3 above is “no” what sum would a reasonable owner of the Red Land and a reasonable owner of the Blue Land have agreed as at the 30<sup>th</sup> May 2017 for the grant of rights to connect to and use the roads (and services) on the Red Land.”**

7.29 As I have indicated above, it is in my opinion extremely unlikely that the owner of the Blue Land would pay the CC as envisaged within the Section 106 Agreement. The Blue Land owner would undoubtedly first pursue all avenues to obtain an alternative access, and bearing in mind the advice of Mr Smith and Mr Bloggs it is considered that there would be success in that regard.

- 7.30 There is always a risk however, that a planning approval would not be granted and to that extent negotiating a significantly reduced payment to the owner of the Red Land would offer a risk free approach. Similarly, from the perspective of the owners of the Red Land, if they left the owner of the Blue Land to pursue alternative accesses, and they were successful in achieving that, they would then receive nothing by way of a payment. As a consequence, it would be in their interest to negotiate a settlement with the owner of the Blue Land which at least gave them something, albeit nothing like as high as the CC or a ransom payment, rather than risk losing everything.
- 7.31 From the Blue Land owners' perspective, if he refused to negotiate with the owner of the Red Land, he would proceed and obtain a planning approval on the Blue Land utilising an access from Acacia Avenue and accept the higher level of planning obligations which would result in leaving him with a Market Value of his land on that basis as previously advised of **£23,350,000**.
- 7.32 If however, he could have obtained access via the Red Land, the Market Value of the land would then rise to a figure of **£27,600,000**. This means therefore that there is an incentive on behalf of the Blue Land owner to negotiate with the Red Land owner to in effect share the potential gain in the increased value between the two figures of **£4,250,000**.
- 7.33 Negotiations of this type often follow a simplistic route as in effect it is the joining together of two interests to increase value. This is normally described as "marriage value" and in such instances equally sharing in the uplift created by the marrying of interests i.e. on a 50/50 basis is the route that most parties find acceptable.
- 7.34 On this basis therefore, in my opinion, a reasonable owner of the Blue Land and a reasonable owner of the Red Land would share the uplift in value in this way and as a consequence a payment of **£2,125,000** would be made by the owner of the Blue Land to the Red Land owner to facilitate the grant of the necessary rights to access the Blue Land via the Red Land.

**8.0 EXPERT DECLARATION**

8.1 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinion on the matters to which they refer.

8.2 I confirm that insofar as the facts stated in my report are within my own knowledge, I have made clear which they are and I believe them to be true, and that the opinions I have expressed represent my true and complete professional opinion.

8.3 I confirm that my duty to the Court as an expert witness overrides any duty to those instructing or paying me, that I have understood this duty and complied with it in giving my evidence impartially and objectively, and that I will continue to comply with that duty as required.

8.4 I am aware of the requirements of Part 35 of the Civil Procedure Rules 1998, the accompanying Practice Direction 35, and its appended protocol.

8.5 I confirm that I am not instructed under any conditional fee arrangement.

8.6 I confirm that I have no conflicts of interest of any kind other than those already disclosed in my report.

8.7 I confirm that my report complies with the requirements of the Royal Institution of Chartered Surveyors (RICS) as set down in *Surveyors acting as expert witnesses*: RICS practice statement.

**Signed:.....**

**N L Jones BSc FRICS ACI Arb**

**Dated:.....**