

Appendix 1 - Barbican Estate Market Valuations for Car Parking Spaces

Brief for Market Valuation

Market valuation of a car parking space as a rental asset based on:

- Current car parking charges: £1,225 based on rental agreement
- History of basis of car parking charges – currently RPI – as provided
- Comparisons of charges for other City of London car parks & other car parks adjacent to the City – as provided
- Car parking spaces to be retained – as provided
- Car parking spaces which are owned (sold) and those which are rented (residential) – as provided
- Potential use of the car parks for the City's Cultural Hub proposals
- Potential use of car park spaces are being converted into new resident stores
- Potential of other users of the car parks for income generation
- Position with regards to commercial car parking - The City's Planning Officer has advised that marketing to potential external users & neighbouring developments for commercial parking would be contrary to Condition 7 of the Planning and Parking Policies within the Local Plan. City Transportation has also confirmed that commercial car parking would be contrary to policies to restrain commuting to the City by car and Policy DM16.6 in the Local Plan does not permit new public car parks or the temporary use of vacant spaces. Therefore, the City's Planning Officer would oppose planning permission being granted for commercial car parking

APPENDIX 2

Michael Bradley (Principal Surveyor)
Asset management Property Advisory Team
Corporate Property Group
City Surveyors Department
City of London
Guildhall, PO Box 270
London EC2P 2EJ

your ref:
our ref: KW/lk

27th January 2017

Dear Michael,

Barbican Estate – Residential Car Spaces, Rental Levels, 2016/2017

Further to your recent instructions, we have met with Barry Ashton, Car Parks and Security Manager, and have had a chance to consider comparative rental levels for car spaces as requested.

Background

There are currently 1,508 car bays in total on the Barbican Estate. 285 have been sold to residents, 679 have been let to residents on an annual licence basis, 31 are let on annual commercial licences, and at present 513 spaces are vacant.

Car spaces can only be let to residents of the Barbican, and can no longer be let to commercial operators.

The 2016 car park rent charged to the residents is **£1,225 and purchase price of £8,598 (including £900 pa service charge)**.

Total annual rents and service charges received are less than expenditure incurred.

Car Park Lettings in the City

The attached table summarises examples of rents for car spaces.

Commercial

Commercial parking spaces in the City fall into two categories, spaces let by landlords of office buildings to tenants, and public car parks let by various operators.

The introduction of the congestion charge in February 2003 led to the start of a downturn in demand. The drive for "greener" buildings and CO2 reduction has meant that fewer car spaces are provided by landlords. Despite this, supply continues to exceed demand.

Chartered Surveyors + Property Consultants

Partners: Kim White BSc MRICS • Neil Fi Warwick BSc MRICS • Kevin J Kempley BSc MRICS • Stephen Griffiths
Tim Powell-Harper MRICS • Isabel Parker MA MRICS • Chris Jakes BSc MRICS

Associates: Henry Brewster BSc MRICS

Consultants: Nick Eden FRICS MCIArb • Christopher L Jones • David Apperly MA MRICS

Kinney Green LLP trading as Kinney Green – Not all Partners are members of the LLP.
Registered in England No. OC398917 Registered Office: Summit House, 170 Finchley Road, London, NW3 6BP
Regulated by RICS

Rents for commercial car spaces, in office buildings, have not changed for 10-15 years and on commercial buildings still run at around £3,000 - £3,500 per annum inclusive of service charge, but exclusive of rates.

Operators offering spaces to the public charge more, £3,000 to £7,000 per annum inclusive of service charge. Rents are unlikely to increase as taxes discourage driving and cycle use has increased substantially.

Residential

Flats are usually leased and sold with a car space, if available, and costs recovered through the building service charges. Sale prices for spaces are around £50k - £75k plus service charges of around £500 pa in some cases.

Evidence of rents for car spaces tied to residential as at the Barbican Estate is scarce.

However one similar development, Dolphin Square, SW1 monthly licences are available ranging from £1740 to £2100 pa dependent on size and location.

Limited information is available of charges for spaces by operators offering spaces to the public, rather than private landlords, close to residential. However, monthly licence charges gleaned from internet sources add up to between £2,100 to £4000 per annum inclusive depending on location. Most spaces are fully equipped with security and CCTV.

The nearest direct comparable to the Corporation's Barbican Car Parks is the NCP at Silk Street where monthly licences are available at £200 (£2400 pa), albeit access times are restricted to mornings and evenings.

Another option for City residents is to buy an annual licence to occupy spaces in City of London car parks at a heavily discounted rate of £1000 per annum, on a first come, first served basis. This works more like a parking permit and spaces are not allocated so is much less convenient than the Barbican spaces are for residents.

Recommendation

The Dolphin Square rents outlined above are the most relevant as they are spaces tied to the residential occupiers but the NCP at Silk Street is the most local commercially operated alternative close to residential.

Looking at the rents charged by commercial operators a discount should be applied to account for the unique factors specific to the Barbican Car Parks specifically:

- restricted "residents only" market
- significant supply/oversupply
- limited demand

£1,750 -£2250 per space per annum inclusive of service charge seems the appropriate range annual range to charge, dependent on size and accessibility.

We trust this provides the information you require, but will be pleased to review further if required. Please let me know if you require further information or clarification.

Yours sincerely,



direct line: 020 7643 1506
mobile: 07798 627 228
email: k.white@kinneygreen.com

APPENDIX 3

Car Spaces Charges 2016/17

Public Commercial Spaces

Address/Postcode	Operator	Spaces	Cost £ pa	Manned	CCTV
Beech Street, EC2	NCP	400	2300	N	Y
Flinsbury Square(covered), EC2	NCP	265	7000	Y	Y
London Wall, EC2	City	218	6396	Y	Y
Smithfield City, EC1	City	581	6000	Y	N
50 Lower Thames Street, EC4	City	110	5330	Y	Y
Paternoster Square, EC4	Britannia	100	5560	Y	Y
Bowling Green Lane, Farringdon Lane, EC1	City	294	3120	Y	Y
158-170 Aldersgate S	NCP	400	3000	Y	Y
51 Saffron Hill, EC1	NCP	450	3000	Y	Y
Average			4634		

Beneath or Adjacent to Residential

Address/Postcode	Operator	Spaces	Cost £ pa	Manned	CCTV
Dolphin Square, SW1	Private	TBC	2100	Y	Y
Charterhouse Square, EC1	Euro	TBC	3400	N	Y
The Barbican Centre, Silk Street, EC2	NCP	TBC	2300	Y	Y
Lever Street, EC1	TBC	TBC	2256	N	Y
Cobalt Building, EC2	TBC	TBC	3000	N	Y
Goswell Road, EC1	TBC	TBC	2100	N	Y
Bartholomew Close, EC1	TBC	TBC	3750	N	Y
Average			2701		

* Restricted access, although can leave at will.

Income forecast

Income for 2017/18 (based on current charging until September 2017 and new charges from October 2017 – the terms of the licence agreements are three months notice)

Appendix 5 - Car Parking Budgets 2017/18 (as approved at Barbican Residential Committee September 2016)

	Car Parking Budget 2017/18 £'000
Local Risk	
Employees	920
Premises - Cleaning	1
- Rates	80
- Repairs & maintenance	144
- Water Services	28
Supplies & Services – uniforms & clothing	3
- comms & computing	3
- equ, furniture & mats	4
- licences	1
<u>Total Local Risk Expenditure</u>	<u>1,184</u>
Recharges	
Capital Charges	148
From service chg a/c - Cleaning	15
From service chg a/c – Lighting	27
Supervision & management	167
Technical Services	10
IS staff recharge	67
Insurance	15
<u>Total Recharges</u>	<u>449</u>
Admin Charges	(10)
Services	(57)
Rent	(928)
Service charge	(256)
<u>Total Income</u>	<u>(1,251)</u>
Net Budget	<u>382</u>

Income from existing stores (and potential new stores) in the car parks will in future be credited to the Car Park Account.

Additional costs:

Administration: £20,000 (to be reviewed after 6 months)