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Our Ref: RLJ/DAW/H60

4 February 2013

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**MARKETING ADVICE AND RECOMMENDATIONS ONLY**

Dear Laurence

**Re: Lettons House, Lettons Way, Dinas Powys**  
**Our Mutual Client: Mr Peter Hayman**

I refer to your e-mail to me of 11<sup>th</sup> January 2013 and our subsequent telephone conversation.

You have requested information regarding the initial marketing price for the above property of £495,000 which has subsequently been reduced to £450,000.

When I initially accepted instructions from Mr & Mrs Hayman to market the property in April 2011 we considered an appropriate guide price for the property excluding the impact of the agricultural tie and taking into account the fact that a planning application had been submitted to vary the agricultural planning condition to a rural enterprise condition.

I enclose for your information a marketing report which we have recently carried out for properties up to £700,000 within a search radius of 3 miles of the property and which are comparable to Lettons House i.e. which are four/five bedroom detached properties within their own grounds.

In our initial discussions with the clients we discussed a guide price for the property excluding the impact of the agricultural tie in the region of £600,000 and discounted the guide price to reflect the agricultural/rural enterprise tie to £495,000. This also took into account the stamp duty threshold of £500,000 above which stamp duty rises from 3% to 4%.

The marketing report includes a number of comparable properties notably Augusta Road, Penarth which is a four bedroom detached property sold on 25<sup>th</sup> November 2011 at £645,000. There are three properties at Ty Gwyn, Penarth, Home Farm, Michaelston-Le-Pit and Larchwood, Wenvoe which have been marketed in the region of £599,950 to £625,000 all of which are four/five bedroom properties within a 3 mile radius of Dinas Powys.

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The guide price of these three properties is comparable to the guide price discussed between ourselves and Mr & Mrs Hayman which was subsequently discounted to reflect the agricultural/rural enterprise tie.

You will note that the property at Lavernock Road, Penarth is a similar property which was initially marketed at £589,950 and sold on 29<sup>th</sup> February 2012 at £560,000. This property is also comparable to Lettons House which is a substantial detached five bedroom property with four reception rooms set within a large garden plot.

The property has been marketed subject to an agricultural/rural enterprise tie and the guide price has subsequently been reduced from £495,000 to £450,000. In accordance with the marketing report provided we consider that a guide price excluding the effect of the planning restriction of £600,000 is in accordance with market evidence. The current guide price of £450,000 therefore reflects a reduction of 25% to reflect the rural enterprise condition.

I should point out that whereas a reduction of approximately 30% is often considered for agricultural tied dwellings the imposition of the rural enterprise condition is relatively new and untested. Whereas it should allow a greater percentage of the population to satisfy the condition, in my experience to date there has been a good deal of confusion and lack of understanding relating to the rural enterprise condition amongst interested parties. Where such parties have shown interest in purchasing the property subject to the condition the feedback we have received is that they have been unable to proceed as they have not been able to obtain finance.

Due to the relatively recent introduction of the rural enterprise planning condition combined with the current economic circumstances there is to date no substantial record of sales on which to calculate an appropriate discount from an open market unrestricted price, and I consider that our opinion of a 25% discount is reasonable.

I trust the information provided satisfies the queries raised.

Yours sincerely  
**Watts & Morgan LLP**



**Robin L. Jones BSC (Hons) MRICS FAAV**

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Copy to Mr P Hayman