

SUMMARY MARKETING REPORT

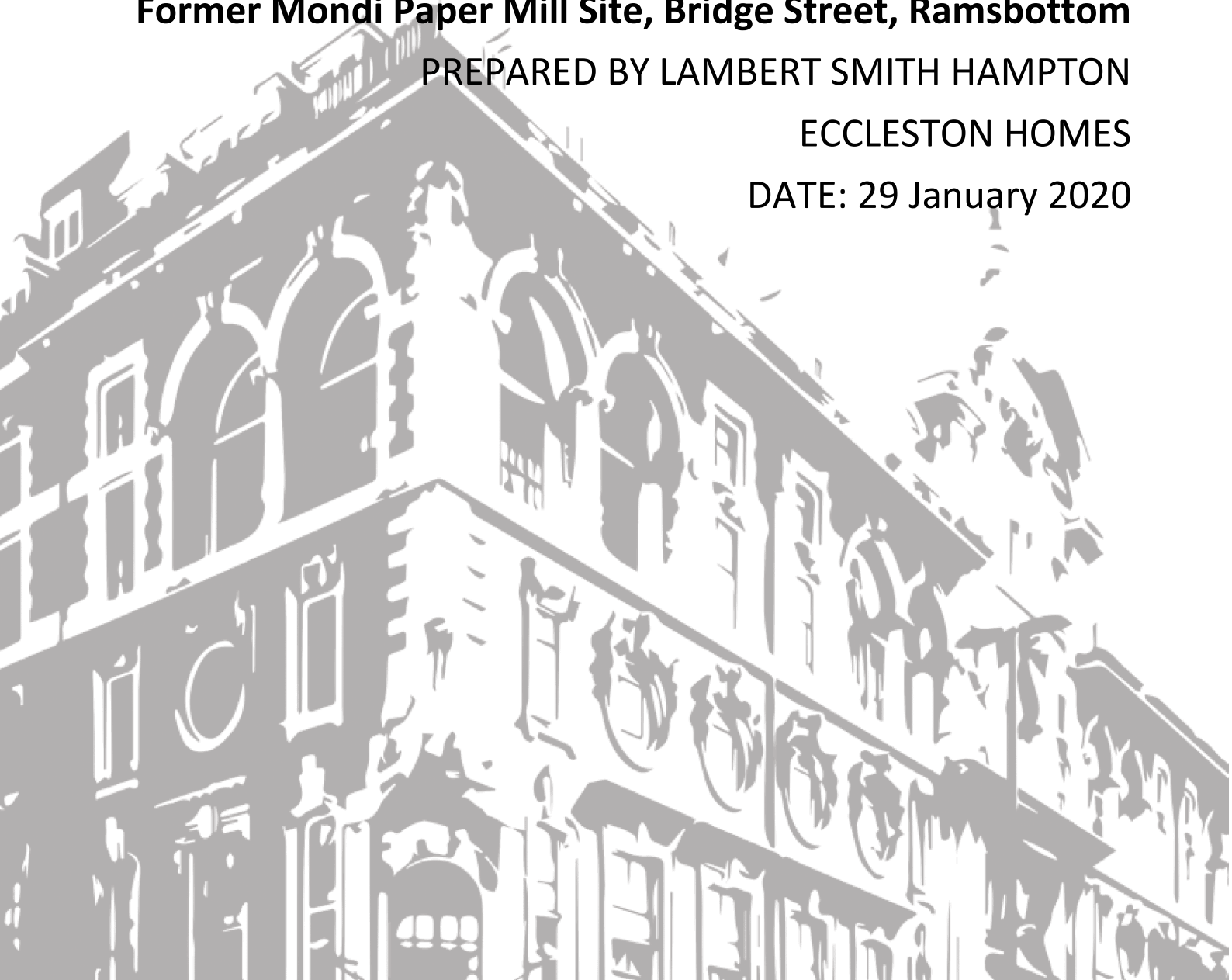
ON

Former Mondi Paper Mill Site, Bridge Street, Ramsbottom

PREPARED BY LAMBERT SMITH HAMPTON

ECCLESTON HOMES

DATE: 29 January 2020



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For the attention of: Mark Fillingham

Our Ref: SG/WB

PROPERTY Former Mondi Paper Mill Site, Bridge Street, Ramsbottom

1. INITIAL MARKETING

I refer to your recent instructions to provide confirmation with regard to the marketing carried out by and on behalf of the current land owner (REOC 3 Limited) in respect of the above property:

1. Initial Marketing

The site was purchased by REOC 3 Limited in 2010; a property and investment company with a strategy to explore commercial opportunities and maximise exit value.

During their ownership REOC received interest from multiple parties for various uses, none of these approaches (with the exception of those discussed further in this report) resulted in a formal offer for the site. The property has been marketed by way of informal marketing via JLL, Nolan Redshaw and Lambert Smith Hampton who have had marketing boards on the site at various times. Apart from the on site sales boards our advice to the client at that time was to market the site on a selective basis For Sale on the assumption that there may be potential interest from owner occupiers; investors; speculators and developers.

The premises have always been vacant during the current ownership with the only works, in addition to site investigation works, being attentive works to the chimney by way of height reduction in the order of 14 m.

The marketing produced few results save for Tesco Stores Limited who expressed interest in 2010, leading to an offer being submitted for the entire site in January 2011. This interest subsequently fell away following an internal revision of their store format, which subsequently affected their portfolio growth strategy.

Availability of the site subsequently filtered through to the market, which primarily generated direct approaches from agents connected with food retail operators.

Colliers entered into negotiations with the land owner on behalf of Sainsbury's Supermarkets Ltd in March 2011, closely followed by Netto, although these expressions of interest failed to materialise on the back of reduced confidence in securing planning based on their retail impact studies.

2. SECOND PHASE/RECENT MARKETING

The marketing was initially low-key and carried out by targeted introductions/calls to suitable parties and agents throughout the North West to ascertain interest in the premises on a freehold basis. This was mainly focused on the food retail market, which at the time was associated with the highest land value achievable.

Due to the property being vacant and existing buildings suffering vandalism, a strategy was agreed for potential subdivision of the site should sufficient enquiries be made.

The second phase of marketing was initiated to a wider approach for mixed use and this involved the following:-

Enquiries

A number of enquiries were produced but these were inconclusive. These were as follows:

- A mixed use proposal was registered in 2016, to include interest from Lidl and McCarthy & Stone although this dialogue saw the McCarthy & Stones interest end due to price revisions on the back of their financial restructuring.
- Together with live interest in the background from Lidl on part of the site, additional interest remains from Bellway and Countryside Properties for residential housing.
- Limited further interest was generated and the existing buildings have significantly deteriorated, both cosmetically and structurally.
- As the demand and planning appetite for Use Class A1 (Food) / Supermarkets reduced further, interest from residential developers remained. The premises had therefore been marketed for a period close to 10 years without success.
- The most robust interest in terms of credibility and ability to complete was received from Eccleston Homes for a residential development with a willingness to retain the two existing buildings, as well as the existing chimney, and bring these back in to use for commercial occupiers.

3. CONCLUSION

The site has been redundant for the entirety of REOC's ownership; approximately 10 years.

Prior to the recent interest established by Eccleston Homes the vast majority of interest and enquiries related to the food retail market with Tesco, Sainsbury, Netto and Lidl all entering into negotiations.

However, it is clear from a retail impact and from sequential test assessments that food retail would not be suitable for this site as Ramsbottom is clearly already well provisioned for this use.

There is no interest at present or interest likely to come forward in the foreseeable future for employment generating terms.

I feel that the marketing of the premises has shown that generally speaking the property is not suitable for wholesale employment use being located in a position that does not meet modern employment requirements on what is potentially a costly site to redevelop and therefore should be considered for change of use to something more sustainable and in keeping with the location.

I believe that redevelopment for alternative employment purposes would undoubtedly be unviable and would adversely impact on the amenity of local residents in the immediate and wider area.

I trust this provided the clarification that you require.

Yours sincerely



Scott Gemmell BSc (Hons) MRICS
Director
For and on behalf of
LAMBERT SMITH HAMPTON