

5 October 2015

Name
Address

Dear

Oughtibridge Mill Estate, Main Road, Oughtibridge, Sheffield, S35 0DN: Marketing Report/ Statement

Introduction

Capita were appointed as marketing agents for the sale of Oughtibridge Mill Estate on behalf of SCA Hygiene Products Tissue Ltd ("SCA") in June 2014. This report provides a summary of the marketing process undertaken and a timeline of events and enquiries received.

Timeline of Marketing Activities and Enquires

Preparing for Market: June 2014 – February 2015

Following instruction in June 2014, Capita worked with SCA and their appointed planning consultants CgMs to prepare the Oughtibridge Mill Estate site for market.

Necessary due diligence was undertaken including a variety of environmental reports, geotechnical surveys, flood risk assessments and ecological reports prior to releasing the site on the open market. Planning meetings were held with Sheffield City Council and Barnsley Metropolitan Borough Council as part of a pre-application process to establish the potential for residential and mixed use development.

In July 2014, Sheffield City Council issued a "Call for Sites" to acknowledge the shortage of housing land in the area. SCA responded to this by identifying potential sites which are now listed as development opportunities in the Council's Options Report document.

Marketing Campaign: February - October 2015

In preparing Oughtibridge Mill Estate for sale a comprehensive marketing campaign was undertaken to appeal to developers, investors and occupiers. Given the location of the property and its historic use as a Paper Mill, it was evident the site would appeal to a range of potential buyers including both owner occupiers and developers.

During our marketing preparation period Capita also monitored the market for potential enquiries that may have suited the site.

A half-page colour advert was placed in Estates Gazette magazine which was published on Saturday 14 March 2015. The advert was well received with interest from both agents and developers. In addition, the opportunity was distributed via the Estates Gazette database.

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An electronic copy of the brochure was circulated to local agents in Oughtibridge and on a wider scale to Industrial/ commercial agents based right across Yorkshire and London. The opportunity was sent via email to Capita's database of industrial agents in addition to contacts on our development opportunities database.

Marketing material was prepared and supported by a dedicated website and Dataroom enabling potential buyers to undertake further due diligence (www.oughtibridgemill.co.uk). The website contained details of the site, photos and an aerial video recording to show the size of the site. Both hard copy and electronic brochures were produced and circulated to interested parties.

The formal marketing process ran for a seven week period from March – May 2015. In total, approximately 50 people registered on the dedicated website Dataroom including approximately 35 people who registered interest on the phone or via email. Details of all the interested parties were recorded on an Excel spreadsheet to monitor interest.

During the marketing process, four viewing days were carried out on 4 and 19 March and 1 and 8 April 2015 with a total of 14 viewings undertaken. Viewings were carried out in individual slots to ensure parties had enough time to walk around the site and familiarise themselves with the layout and scale of the opportunity. Offers, subject to contract, were invited by informal tender by 30 April 2015 with a total of 16 offers were received from 10 parties to purchase the site.

Offers were invited on both an "unconditional" basis and "conditional" on planning permission for development. Overall, 12 of the offers received were on an unconditional basis and 4 were subject to planning.

A bid format document was circulated electronically to all interested parties which specified the requirements for the bid submission. Additional evidence was requested including proof of funds, acceptance of an indicative timetable for completion, completed due diligence and confirmation of board approval.

Further to discussions with SCA and review of the schedule of offers and additional evidence provided by parties, it was agreed to engage further with the top bidder. All other parties were updated and informed of the decision to progress with one party at this stage.

Enquiries

Enquiries were received from a range of occupiers, developers and investors; however, the majority of interest came from developers. In terms of interest from other industrial users for owner occupation, there was interest from 2 parties including 1) Delphic Capital based in Manchester who were looking to relocate their business and 2) Royal Mail (via agents BNP Paribas) were looking for a short term warehouse for their Christmas peak.

Capita spoke directly with Delphic Capital who, following receipt of further site details, did not arrange a viewing or make further enquiries. Capita engaged in conversation with Royal Mail's agents, however the site was never viewed as they felt it was an unsuitable location.

Individual Plot Enquiries

A number of enquiries were made for individual plots rather than the whole site. These included:

- Diane Snape – a local resident in Oughtibridge who own a house adjacent to the sports pitch site. She is interested in extending her garden and requested for her details to be passed to the new purchaser once the site is sold.

- Patrick Heraghty – interest in Plots 7, 4 & 6. He is interested in buying the plots separately once the sale has completed.
- David Scholey – interest in Plots 4 & 6. He is concerned Plot 6 is becoming a garden waste dumping ground for surrounding properties. Offer made of £55,000 (Plot 4) and £20,000 (Plot 6) on 2 June 2015.
- Mr Alfred James Peaker & Mrs Linda Peaker – made an offer for Plot 1 only of £7,000 on 30 April 2015.

Conclusion

Following a comprehensive and transparent marketing campaign, it was clear that there was a lack of interest from owner occupiers and minimal interest from industrial users. The highest level of interest was apparent from developers and some investors. From the outset, SCA's preferred route was to sell the site as a whole, however, engagement with bidders interested in individual plots was also recorded to pass to the final purchaser. The marketing campaign followed a full and transparent process aimed to achieve best value for the receipt aimed at both end users and developers.

If you need any further information please do not hesitate to contact me.

Yours sincerely

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