



## *Disposal Prospectus*

Phase 1 Development Land at Allens West, Durham Lane, Eaglescliffe, Stockton on Tees, TS16 0RW

July 2017



## Overview

We are delighted to bring to the market the first phase of residential development land at Allens West, Eaglescliffe. The site is situated 1.5 miles north of Yarm, one of the most affluent and desirable locations in Teeside.

Phase 1 totals 13.8 acres (5.6 ha) and forms part of a wider site (110 acres) which benefits from outline planning consent for the construction of 845 residential units (subject to the provision of 15% Affordable Housing).

The site is known locally as 'Allens West' and was previously occupied by the Ministry of Defence (MOD). A number of buildings are in situ on the wider site but note that the site will be provided with full vacant possession. The Seller intends to dispose of the site on a long leasehold basis (999 years) by way of conditional agreements for lease.

A detailed pack of supporting information and technical reports which relate to the site are available to all interested parties and can be downloaded from an online dataroom. Documents available include a Phase 2 Ground Investigation and Drainage and Utilities Strategy. An overview of the key technical issues associated with the site are also contained within this document.

The Disposal Prospectus is structured as follows:

1	The Opportunity.....	3
2	The Site.....	4
3	Site History .....	6
4	Planning Background.....	7
5	Masterplan.....	9
6	Legal Considerations .....	13
7	Technical Issues.....	15
8	Sale Process and Timeline .....	19
9	Further Information .....	21

The Seller intends to create a vibrant and attractive community at the site, with quality housing that is integrated with the existing neighbourhood and surrounding area.

The Seller is seeking a Buyer for Phase 1 based on the following Criteria:

- Optimum financial receipt;
- Certainty of financial receipt and minimum exposure to unknown deductions due to abnormal ground conditional and utilities costs;
- Achieving an expeditious sale and receipt of land payments.

We are inviting Greenfield offers on a per net acre basis inclusive of Section 106 costs and affordable housing and offers must be made to the offices of JLL by no later than **12 noon Wednesday 23<sup>rd</sup> August 2017**.

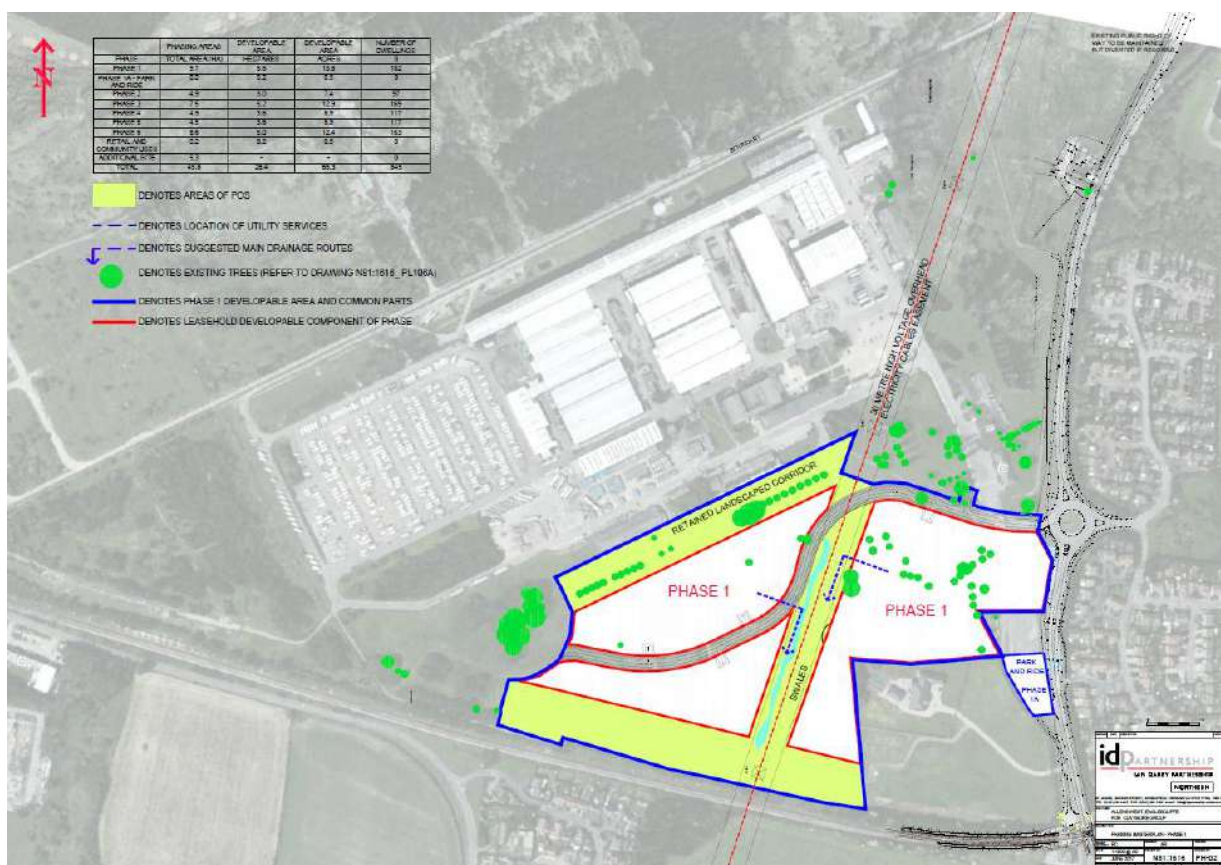
# 1 The Opportunity

The site is situated in Eaglescliffe, located 1.5 miles north of Yarm, one of the most affluent and desirable locations in Teesside, approximately 6 miles west of Middlesbrough and 12 miles east of Darlington. It totals 115 acres (46.4 ha) of ex-industrial / MOD land which benefits from an outline planning consent for the construction of 845 houses, which will be delivered on a phased basis.

The Opportunity is to acquire Phase 1 at the site ("Phase 1") which comprises 13.8 acres (5.6 ha).

The site, including Phase 1, is offered with reliance on a package of environmental reports, prepared by Amec Foster Wheeler Environment & Infrastructure UK Limited ("Amec") in 2017, following extensive intrusive investigation and analysis of the whole site. Comprehensive technical information relating to ecology, topography and compliance with planning requirements is also available, together with a drainage, utility and masterplanning strategy.

To arrange access to the data room containing all relevant legal and technical information on the site and Phase 1, please contact JLL.

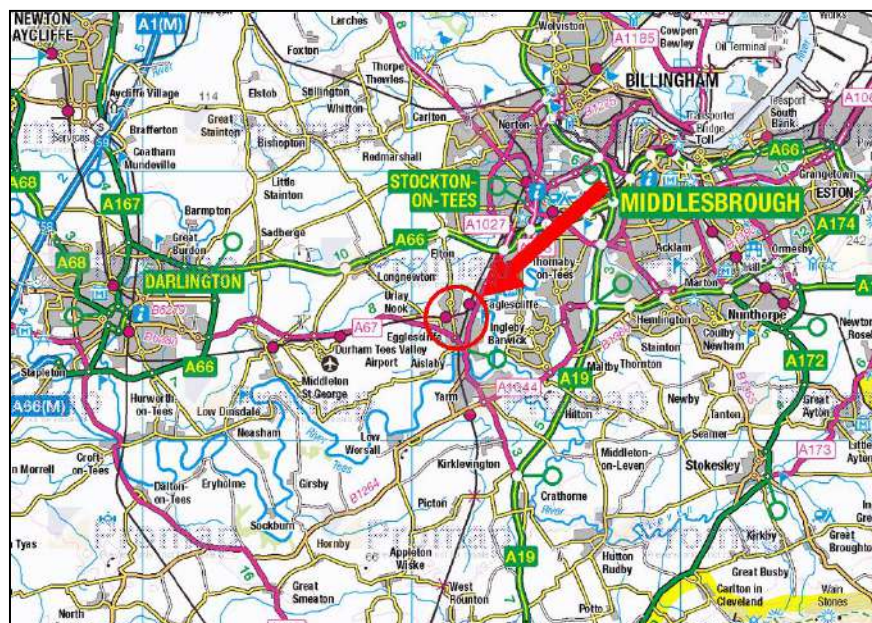
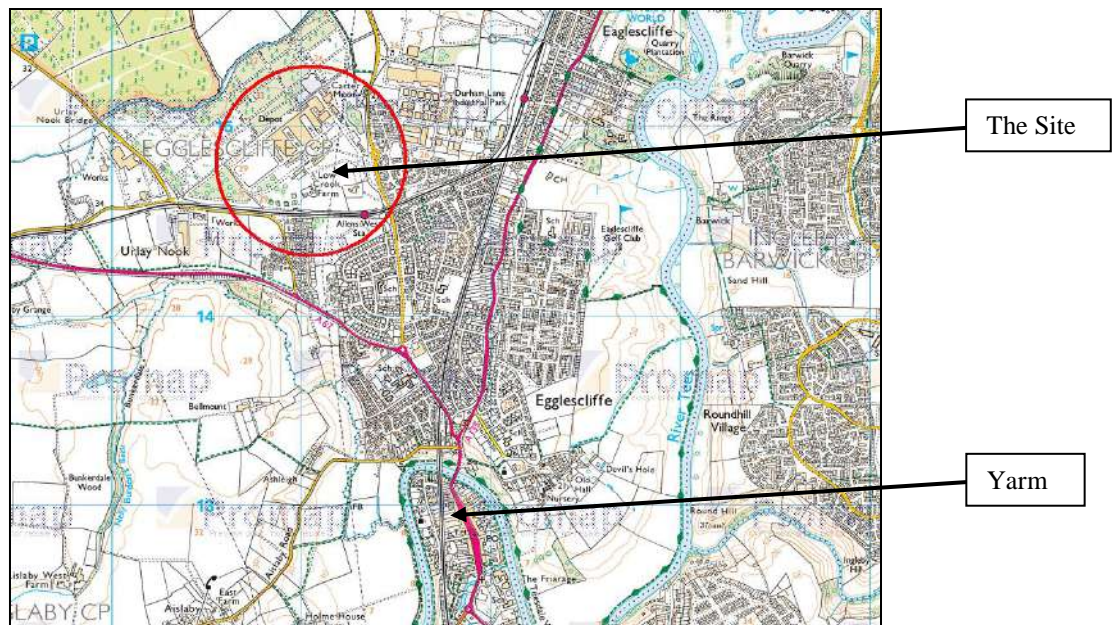




## 2 The Site

### Location

The site enjoys excellent communication links; Durham Lane provides direct access to Eaglescliffe town centre nearby and the A66. Allens West Train Station, located some 200 yards south of the site's main access, is connected to the National Railway network, providing direct access to Darlington and Middlesbrough in less than 10 minutes. Durham Tees Valley Airport lies 5 miles to the west and the A1(M), which provides a fast link between Newcastle and Leeds, 10 miles to the west.



## Description

The site comprises two distinct land parcels.

### The Site

The main part of the site (“**the Site**”) is triangular, measuring approximately 1.1km by 0.6km and comprising 101.5 acres (41.1 ha). The principal access is directly via an existing roundabout on Durham Lane, with a secondary access via Urayl Nook Road. The Site is gated and secured by a 2.5m MOD fence.

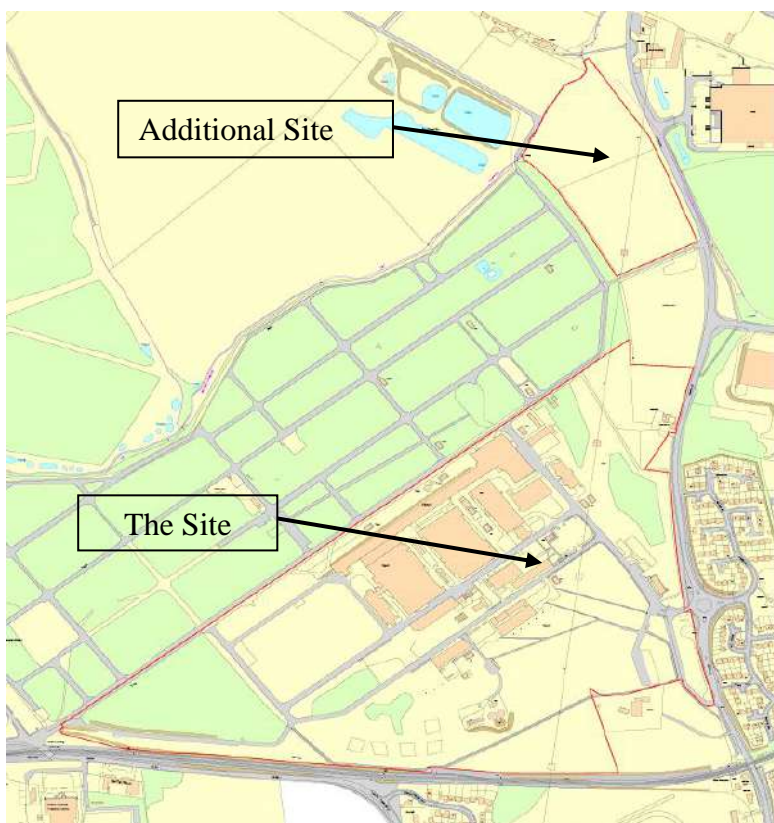
The Site is dominated in the east, south and southwest by an area of open ground with small areas of woodland and hedgerows. It is bisected by a National Grid Powerline (OHL) easement from northeast to southwest.

Most of the existing development on the Site is located within the central northern part, comprising c350,000 sq ft of old industrial / historic office buildings, hard standing and ancillary uses, including redundant boiler rooms and fuel storage and sewerage plant. The existing buildings are mainly situated outside of the Phase 1 boundary and the intention is to demolish them during later development phases.

In general, the topography of the Site is level with a slight fall towards the south / southwest. OS mapping reveals that the site is at an elevation of approximately 29m above the Ordnance datum.

### Additional Site

There is an additional parcel of land (**the “Additional Site”**), which is physically separate from the main part of the Site. The Additional Site comprises c13.1 acres (5.3 ha) and lies distinct from and to the north-west of the main part of the Site and is separately accessed from Durham Lane. It is generally flat open field, through which the OHL passes.



### 3 Site History

The Site is known locally as 'Allens West' due to its proximity to Allens West Railway Station (situated 200 yards from the subject site).

Prior to the 2nd World War, the Site was primarily used for agricultural purposes / open space. The Site was then acquired by the Ministry of Defence (MOD) which constructed most of the buildings in existence on the Site.

In recent years, the Site was used as a storage and distribution centre but is now offered with vacant possession.



## 4 Planning Background

The Site was granted Planning Consent on 21 May 2013 (Reference: 11/2842/EIS; the “Planning Consent”) for:

- The erection of a residential development comprising 845 no. dwellings (Class C3).
- A 60-bed residential institution (Class C2).
- Up to 250 sq m or 2,700 sq ft GIA of retail space.
- Community facilities of 500 sq m or 5,400 sq ft GIA.
- Associated landscaping, roads, parking and infrastructure.

The Planning Consent is granted subject to various conditions and obligations and a planning conditions tracker is available in the dataroom.

The Planning Consent is subject to a Section 106 Agreement, which sets out a financial contribution of £2,678,325 (plus indexation from 2013 using the Building Cost Information Service) summarised as follows:

Section 106	Cost/Contribution	Timing
Footpath/Cycleway Improvement Contribution	£50,000	Implementation.
Highways Work	£178,492	£134,217 on implementation; £44,275 on occupation of 300 <sup>th</sup> dwelling.
Education Contribution	£1,560,000	(Payable in £312,000 tranches following the occupation of the 1 <sup>st</sup> , 200 <sup>th</sup> , 400 <sup>th</sup> 600 <sup>th</sup> and 800 <sup>th</sup> dwelling).
Cycle Crossing Contribution	£30,000	Occupation of 1 <sup>st</sup> dwelling.
Sustainable Transport Improvement Contribution	£50,000	Occupation of 1 <sup>st</sup> dwelling.
Train Station Improvement Contribution	£44,000	Occupation of 1 <sup>st</sup> dwelling.
Travel Plan	£350,000	£265,000 on occupation of 1 <sup>st</sup> dwelling; £85,000 over a 10-year period in equal instalments from occupation of 1 <sup>st</sup> dwelling.
Car Parking Improvement Contribution	£155,833	Occupation of 25 <sup>th</sup> dwelling.
Local Transport Improvement Contribution	£260,000	Occupation of 150 <sup>th</sup> dwelling.
<b>Total Contributions</b>	<b>£2,678,325</b>	<b>(+ indexation from Q1 2013)</b>

The Section 106 Agreement also specifies other obligations, including a 15% Affordable Housing (70% Social rented and 30% intermediate housing) contribution.

The Seller expects that the Planning Consent and / or the Section 106 Agreement may need to be varied to facilitate the phased sale process. To the extent that any variations relate to Phase 1, the Seller would expect to work with the Buyer to agree any such changes with the Local Planning Authority.



## 5 Masterplan

A Masterplan has been drawn up for the Site. It divides the Site into 6 phases of residential development and two additional phases of ancillary development, comprising a Park and Ride facility and Retail / Community development.

The phases shown on the Masterplan are indicative and may be subject to change. The Additional Site is designated as public open space and has not otherwise been included in the Masterplan.



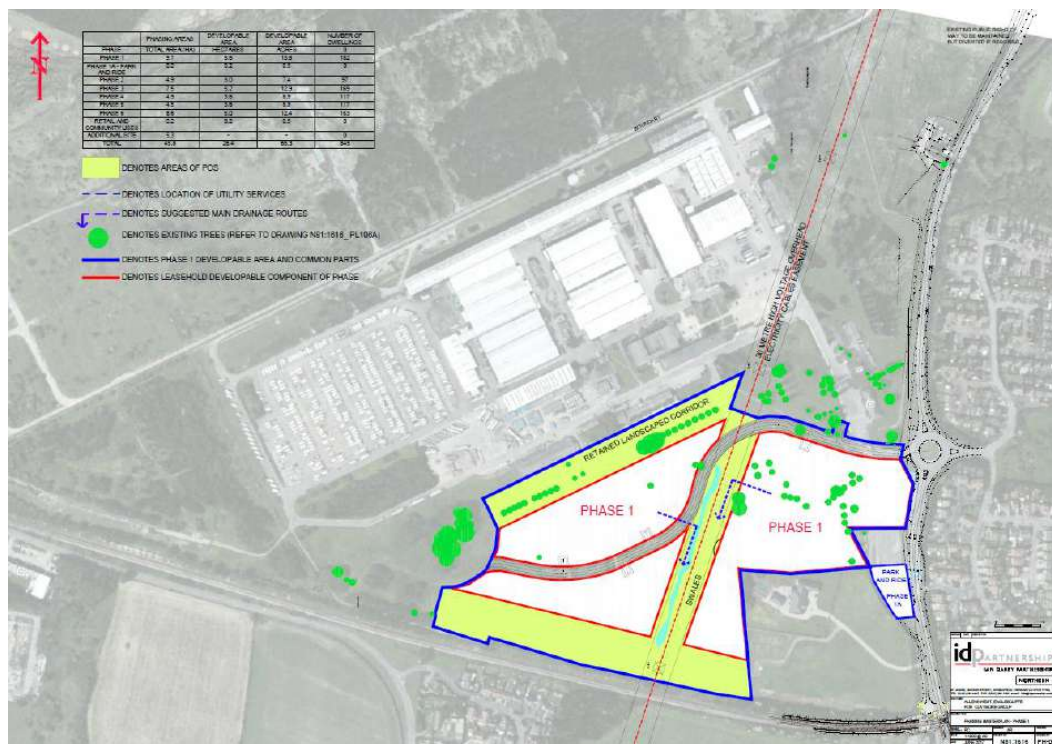
KEY	
	ADDITIONAL SITE
	DENOTES LOCATION OF UTILITY SERVICES
	DENOTES SUGGESTED MAIN DRAINAGE ROUTES
	DENOTES EXISTING TREES (REFER TO DRAWING N81:1616_PL106A)
	PHASE 1A - PARK AND RIDE
	DENOTES RETAIL AND COMMUNITY USES

Phase	Total Area Acres	Total Area Hectares	Net Acres	Net Hectares	No. Dwellings
1	23.9	9.7	13.8	5.6	182
2	12.9	5.2	8.4	3.4	97
3	18.5	7.5	12.9	5.2	169
4	12.9	5.2	9.1	3.7	117
5	11.1	4.5	8.9	3.6	117
6	21.3	8.6	12.4	5.0	163
Retail / Community	0.5	0.2	0.5	0.2	0
Park & Ride	0.5	0.2	0.5	0.2	0
<b>Total</b>	<b>101.6</b>	<b>41.1</b>	<b>66.5</b>	<b>26.9</b>	<b>845</b>

### Phase 1

The Seller is offering Phase 1 for sale. Phase 1, comprising c 13.8 net developable acres (5.6 hectares) marked by the red line on the plan below, is situated to the south of the Site, with access provided directly from the existing roundabout on Durham Lane. The Masterplan assumes Phase 1 will accommodate 182 dwellings, of which 27 will be 'Affordable'.

Phase 1 comprises three development plots, which are divided by the Site's proposed spine road and a strip of green infrastructure, which lies underneath an existing overhead power cable. Green infrastructure will also run part of the length of the north-western boundary of Phase 1 to ensure the existing poplar trees (TPO) are retained and along the southern boundary to act as a buffer to the railway line.



## **Phase 1 – Buyer’s Key Development Obligations to Service the Site**

### **In Addition to the Planning Obligations**

The red line on the plan above denotes the development land comprising Phase 1.

The blue line on the plan denotes the development obligations (infrastructure) which the Seller expects the Buyer to undertake as a condition of the purchase of Phase 1. These will be designed and sized to service the Seller’s retained land and are to be completed by longstop dates to be agreed.

The Buyer’s key obligations are expected to include the following:

#### On Phase 1 (locations to be agreed)

1. Construct foul water pumping station
2. Establish green infrastructure (initial phase)

#### On and Off Phase 1 (locations to be agreed)

1. Construct surface water mains drainage
2. Construct foul water drainage
3. Construct spine road and provide all mains services to the boundary
4. Construct trenches for telecoms cable installation, enable connection to succeeding phases
5. Create attenuation ponds
6. Introduce new gas supply and associated infrastructure
7. Install new water main to site and distribution for Phase 1
8. Relocate site fencing
9. Replace electricity substation(s) and associated infrastructure.

#### Off Phase 1 (locations to be agreed)

1. Remediate contamination (See implementation of the clean cover strategy in the Remediation Action Plan)
2. Relocate ground cover from onsite to designated locations.
3. Construct 30-car Park and Ride. A possible location is shown on the Phase 1 plan above.



## Phase 1 – Section 106 Agreement Costs – Direct Responsibility

The table below schedules the Section 106 Agreement contributions, which the Seller expects the Buyer of Phase 1 to be directly responsible for. Buyers should make an allowance for these costs within their offer.

Section 106	Cost/Contribution	Timing
Footpath/Cycleway Improvement Contribution	£50,000	Implementation
Highways Work	£134,217	Implementation
Education Contribution	£312,500	Occupation of 1 <sup>st</sup> dwelling
Cycle Crossing Contribution	£30,000	Occupation of 1 <sup>st</sup> dwelling
Sustainable Transport Improvement Contribution	£50,000	Occupation of 1 <sup>st</sup> dwelling
Train Station Improvement Contribution	£44,000	Occupation of 1 <sup>st</sup> dwelling
Travel Plan Coordinator Contribution	£215,000	Occupation of 1 <sup>st</sup> dwelling.
Car Parking Improvement Contribution	£155,833	Occupation of 25 <sup>th</sup> dwelling
<b>Total Contributions</b>	<b>£991,550</b>	<b>(+ indexed from Q1 2013)</b>

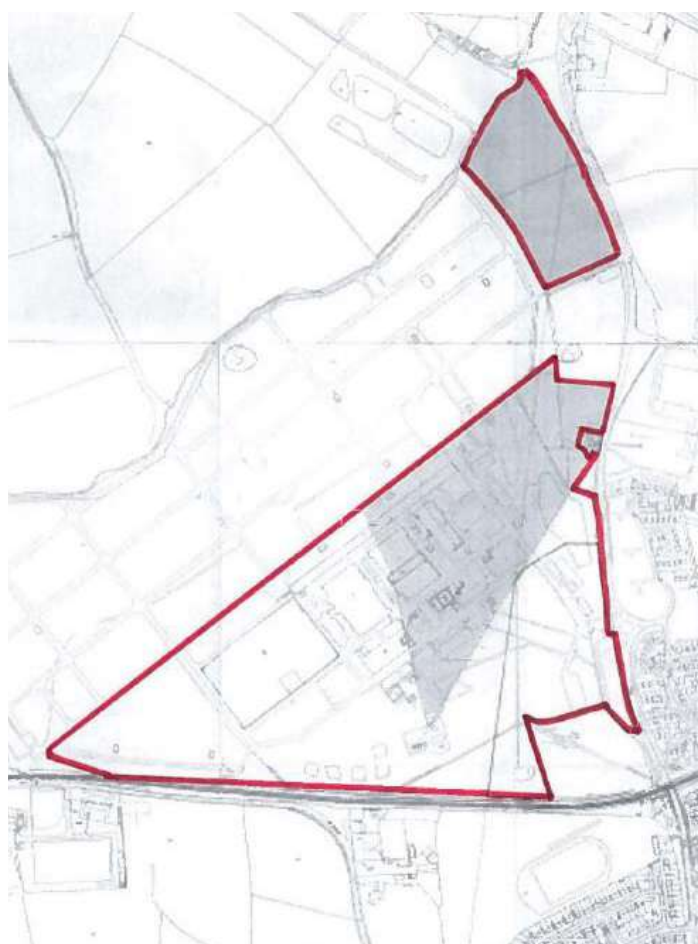
The Buyer may wish to accept responsibility for additional planning obligations, by agreement with the Seller. The remaining Section 106 Agreement obligations will otherwise be retained by the Seller, with some delegated onto buyers of subsequent phases, as appropriate.



## 6 Legal Considerations

### Title

A full title report prepared by CMS Cameron McKenna Nabarro Olswang LLP ('CMS') is included in the data room. The title plan for the Site below shows the extent of the Seller's freehold ownership, edged red, registered title number CE152105. The registered proprietor of the Site is the Seller.



### Disposal Method

The Seller intends to dispose of the Site:

- On a long leasehold basis (999 years).
- By way of six phases of residential development, commencing with Phase 1.
- With an additional phase of retail/community development.
- With the common parts either:
  - Adopted by the appropriate authority; or
  - Transferred into a Site management company ("ManCo")
- Each phase will be disposed of by way of a conditional agreement for lease ("Agreement for Lease").
- The Agreement for Lease and lease for each phase will be on largely identical terms, the latter reflecting final details of design and location of the buyer's planning and development obligations.

Each Agreement for Lease will:

- Be conditional upon obtaining the relevant detailed planning permission (which may include variations to the existing Planning Consent and/or Section 106 Agreement).
- Oblige the Buyer to carry out the relevant on-Phase and off-Phase works to an agreed standard in accordance with an agreed programme.
- Include appropriate 'step-in' rights (subject to any further step-in rights which will have priority), allowing the Seller to make good any development default by the Buyer.

Each Lease will include:

- An obligation to contribute a fair and reasonable proportion of any Site Service Charge comprising:
  - A base annual ground rent initially at £100 multiplied by the number of units to be built on the Phase and indexed every 5 years by reference to the BCIS All Construction Tender Price index.
  - In respect of Phase 1, therefore, a contribution of 21.5% (182 units as a percentage of 845 units).

The Freehold/Common Parts of the Site:

- Will be retained by the Seller before being transferred to ManCo (subject to the various phase leases).
- ManCo will be owned/controlled initially by the Seller but ownership/control of ManCo will pass to the phase Buyers and ultimately the owners of the residential units.

## 7 Technical Issues

### Environmental Considerations

Amec Foster Wheeler Environment & Infrastructure UK Ltd (Amec) have been instructed by the Seller to provide geo-environmental (Contaminated Land and Geotechnical) support in appraisal of the Site for a residential development, with associated public open space.

Geo-environmental works completed to date for the Site include:

- Phase 1b Geo-environmental Desk Study (Amec reference 38567RR02i3, August 2016).
- Phase 2 Geo-environmental Ground Investigation (Amec reference 38567RR008i2, March 2017).
- Remediation Action Plan (RAP; Amec reference 38567RR012i1, March 2017).

For ease of reading, these are all summarised in the:

- Geotechnical Summary Marketing Pack Information (Amec reference 38567, June 2017).

All relevant reports are included in the dataroom. Reliance on them will be offered by Amec to the phase Buyers.

The above documentation identifies the presence of contamination at the Site, associated with the Site's former uses and a recent kerosene spill. To render the Site suitable for residential use, remediation works are required, as outlined in the RAP, which apportions the Buyers' remediation obligations per phase.

The scope of remediation works identified across the entire Site mainly includes:

- Task 1: Bioremediation of soils and removal of free product/contaminated groundwater from kerosene spill area (to be undertaken and warranted by the Seller's contractor and advisory Consultant (Amec)).
- Task 2: Excavation and off-site disposal of radioactive contamination; and subsequent additional radiological survey works following demolition/site clearance.
- Task 3: Site wide installation of water supply protective barrier pipe.
- Task 4: Site wide installation of ground gas protection measures.
- Task 5: Site wide installation of cover system in gardens/allotment/POS.
- Supplementary investigation, including additional gas monitoring and sampling at BH-1014 and limited investigation beneath existing structures following demolition.

### Engineering Considerations

#### Drainage / Utilities

The following Amec report is included in the dataroom:

- Technical note: Eaglescliffe – High Level Drainage Strategy.

Initial conclusions from the report:

- Drainage - a surface water gravity connection with a foul water pumping station is likely to be the most cost-effective solution (further investigations are ongoing).

- Electricity - the existing high voltage underground distribution system needs to be and two new ground mounted substations will need to be installed. The supply remains live. Currently, there is no requirement to reinforce the local electricity network capacity or carry out any further associated works.
- Gas – The connection from the existing 250mm PE MP main can be extended to the existing gas governor. From the gas governor PE LP mains ranging from 63mm to 250mm can be installed to allow further distribution.
- Potable / foul water – a request has been made to Northumbrian Water to assess capacity.
- Telecommunications – BT currently connect to the Site. There will be an obligation on the Buyers to upgrade and install the necessary infrastructure to support the BT network.

The Buyers of each phase are expected to construct this site-wide infrastructure, on and off phase, in sections and locations to be agreed.

### Materials Management

To coordinate the delivery of the required levels changes and remediation on the Site, the Buyers will be required to adhere to a materials management plan.

An outline plan has been commissioned from Amec and will be made available via the dataroom when completed (July 2017).

### Spine Road

The Buyers of each phase will be expected to construct the principal spine road into and around the Site to adoptable standard with full rights of access to the Seller and other users of the Site. The spine road is marked blue on the plan below. All necessary mains services must be provided to adequate standards to serve future phases of the Site.

A secondary access point into the site from Urray Nook Road will be made available to builders of later phases, to avoid construction traffic running through Phase 1.

### Green Infrastructure

The Buyers of each phase will be expected to construct the green corridor as shown on the plan below.

There is a blanket TPO over the Site, primarily to protect a line of Poplar trees. The green infrastructure plan overleaf incorporates the trees to be retained.





- 26 – habitat creation measures on the receptor site shall be delivered prior to commencement of development. This condition is deemed to have been discharged on October 2013.
- 27 – habitat creation measures required for the Dingy Skipper (butterfly) shall be submitted and approved together with a detailed management plan. This has not been implemented but is regarded as straightforward and not likely to be an impediment to development.
- 28 – mitigation measures within the Bat Survey Report and Mitigation Plan, Allens West, Eaglescliffe - Naturally Wild 10/1/2012, shall be implemented in full. A copy of this is being sought and will be made available via the dataroom. It is however, understood to be relevant only as and when the existing buildings are to be demolished i.e. not relevant to Phase 1.

## 8 Sale Process and Timeline

The Seller, intends to create a vibrant and attractive community at the Site, with quality housing that is integrated with the existing neighbourhood and surrounding area.

The Seller is seeking a Buyer for Phase 1 based on the following criteria:

- Optimum financial receipt;
- Certainty of financial receipt and minimum exposure to unknown deductions due to abnormal ground conditional and utilities costs;
- Achieving an expeditious sale and receipt of land payments.

### Submission Requirements

JLL request submissions that address the following:

- Greenfield offer on a per net acre basis inclusive of the Section 106 Agreement and affordable housing;
- Proposed layout and schedule of accommodation;
- Conditions attached, including whether full allowances have been made for abnormal ground conditions, utilities and attenuation;
- Anticipated timeline for exchange of contracts, supplementary ground investigations (if required) submission of planning application and completion of sale following appointment of preferred developer status;
- Confirmation of cost of constructing spine road, green infrastructure and suggested long stop date for construction;
- Confirmation of funding/Main Board approval;

### Viewing

Viewing is strictly by prior appointment with the sole selling agents, JLL.

### VAT

VAT will be charged on the sale price at the prevailing rate.

### Seller's Solicitors

CMS Cameron McKenna Nabarro Olswang LLP  
1 The Avenue  
Manchester  
M3 3AP

Peter Winnard  
Tel: 0161 393 4741  
Peter.Winnard@cms-cmo.com

## Offers

We are inviting offers to be made to the offices of JLL by no later than 12 noon Wednesday 23<sup>rd</sup> August 2017 addressed to:

JLL  
1 Piccadilly Gardens  
M1 1RG

Kieran McLaughlin  
Tel: 0161 828 6439  
Email: [Kieran.mclaughlin@eu.jll.com](mailto:Kieran.mclaughlin@eu.jll.com)

Abigail Deer  
0161 828 6473  
[Abigail.deer@eu.jll.com](mailto:Abigail.deer@eu.jll.com)

Offers should be a precise financial amount and any offers that relate to any other offer will be disregarded. The Seller reserves the right not to accept any offer or the highest offer.



## 9 Further Information

The following supporting information and technical reports can be obtained from the weblink listed below:

<https://jll.box.com/s/og6zfavumpv43qsde59j0sorftm0a7gq>

- Air Quality assessment
- Asbestos Management Summary
- Decision Notice
- Design and Access Statement
- Demolition Strategy and Quote
- Drainage and Utilities Strategy
- Ecology Report
- Environmental Statement
- Flood risk assessment
- Infrastructure Plan
- Kerosene Survey/Remediation Plan
- Masterplan
- Noise Assessment
- Phasing Plan
- Phase 1 Geo-environment assessment
- Phase 2 Ground Investigation
- Radiological Survey
- Remediation Action Plan
- Title Plans/Overview
- Topographical survey
- Tree Survey/Strategy
- Transport Assessment

These documents are offered as a guide. Reliance is only offered to the Amec documents at this stage. The list of documents will be subject to review.