

# Slough Borough Council

Former Akzo Nobel Site, Wexham Road, Slough, SL2

DRAFT Asset Disposal Recommendation

14 October 2022

**PUBLIC DOCUMENT**

# Contents

1.	Introduction.....	3
2.	Marketing Process .....	3
3.	Bidding Process.....	4

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**Status:** Draft

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**For and on behalf of Avison Young (UK) Limited**

DRAFT

# 1. Introduction

- 1.1 The site comprises part of the former Akzo Nobel paint factory and research and development facility at Wexham Road in Slough. The majority of facilities has been cleared with the exception of a number of buildings recently vacated.
- 1.2 The site extends to c. 11.5 acres and currently benefits from outline planning consent for up to 1,000 new homes along with flexible commercial uses, which is supported by the emerging planning policy for Slough. Additionally, existing planning policy would support employment uses at the site, such as industrial and data centres.
- 1.3 Slough Borough Council purchased the site for £38,530,552 from Panattoni on the 1<sup>st</sup> February 2021.
- 1.4 The site is non income producing but could yield a high capital receipt and as such it as agreed this should be brought to market as a priority to help alleviate Slough Borough Council's ("the Council") current financial burden.
- 1.5 We were instructed to undertake a comprehensive marketing campaign that was co-ordinated by the Land & Development and Industrial & Distribution teams at Avison Young ("AY"). Owing to likely level of interest within the site and the need for a transparent and whole market process we recommended that the Council brought the site forward by way of an informal tender process.
- 1.6 An informal tender would also allow further bid stages to encourage competition between bidders, which should lead to the most attractive financial offers and terms received. This would also allow us to satisfy Best Consideration requirements in accordance with the Local Government Act 1972.
- 1.7 In preparation for marketing, we collated and prepared a detailed marketing pack that would allow bidders to make sensible assumptions within their financial appraisals and ensure robust offers were received.
- 1.8 We considered that this opportunity would appeal to a range of developers and a Planning Appraisal was produced to outline the development parameters for the site, which was reviewed and accepted by the Council estates team and planners.

# 2. Marketing Process

- 2.1 The asset was marketed with the benefit of technical pack that included existing tenancy information, title information and an environmental report. The Property was formally launched to the market on Saturday 2<sup>nd</sup> July 2022 with a half page, colour advert in the Estates Gazette (EG). The opportunity has also been published on the Estates Gazette Property Link website,
- 2.2 On Monday 4<sup>th</sup> July 2022 an electronic mailshot was sent to over 3,000 developers, investors and agents active in Berkshire, Greater London and Southeast London. To date, 1,631 unique parties viewed and interacted with the mailshot.

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## **Avison Young**

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- 2.3 A bespoke marketing brochure was produced and circulated to all parties upon request, as well as individuals and organisations who had previously indicated an interest in properties of a similar nature and those, we have had informal conversations with regarding the opportunity prior to launch.
- 2.4 AY recorded 114 parties expressing an initial interest in the opportunity and had requested a copy of the brochure and access to the data room.
- 2.5 AY arranged three inspection/viewing days on Thursday 14<sup>th</sup> July, Wednesday 20<sup>th</sup> July and Wednesday 27<sup>th</sup> July.
- 2.6 We understand that some parties viewed the opportunity externally.
- 2.7 The asset was received well by the market with many credible parties engaging with the AY Industrial & Distribution and Land & Development teams and requesting more information with regard to the sale.
- 2.8 Interest was predominantly received from residential and non-residential uses.

### **3. Bidding Process**

- 3.1 After an extensive marketing campaign and upon agreement with the Council, an initial bid deadline was set for 12 noon Tuesday 9<sup>th</sup> August 2022. This was clearly communicated to all parties who enquired about the Property.
- 3.2 As expected, offers were received from a range of bidding parties comprising residential and non-residential developers.
- 3.3 AY hosted a call with the estates team at the Council to discuss the bids received and set out our recommendations. Within the meeting we reviewed each bid in detail focussing on price, timescales, conditionality of offer and track record.
- 3.4 AY and the Council concluded to shortlist parties and invite them to a best bids stage. This would allow parties the opportunity to improve their financial offer, terms, conditionality and also answer clarifications noted by AY at the initial bid stage.
- 3.5 Shortlisted parties were invited to submit a best and final offer by 12 noon, Friday 19<sup>th</sup> August 2022.
- 3.6 A preferred purchaser was subsequently selected and Heads of Terms negotiated and agreed.
- 3.7 During this time, a previous bidder submitted a revised offer that was better than the preferred purchaser.
- 3.8 It was agreed that a further bid stage with these two parties should be undertaken with an offer deadline of 12 noon, Wednesday 12<sup>th</sup> October.
- 3.9 The best bids were reviewed by AY and a recommendation to select the preferred purchaser was provided, which was in accordance with the Councils objectives and the Best Consideration requirements of the Local Government Act 1972.

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