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Dear Harry,

Marketing Report – Centenary Quay, Woolston, Southampton

Lambert Smith Hampton have been asked to produce a report to accompany a planning application which will request the relaxation of the requirement which restricts use of the site to B2 Marine related employment, so that B2 and B1 employment can take place on site.

Our report is to give an overview of the history of the marketing of the site for marine employment which dates back to when Vosper Thornycroft closed in 2003. The site forms part of a larger site that was occupied by Vosper Thornycroft for a great number of years, the site was sold to SEEDA in 2003.

SEEDA then applied for a scheme that was predominantly residential redevelopment but it retained an employment element at the North of the site. This employment site was branded the Marine Employment Quarter or MEQ.

SEEDA used Deloitte`s to market this site and find a development partner. At first they selected Dean and Dyball as the development partner, and the site was marketed for Marine Employment B2 use.

Then the development partnership with Dean and Dyball came to an end before any buildings were developed as no tenant interest had led to any commitment on site. In 2008 Dean and Dyball were sold to Balfour Beatty.

Following this, SEEDA had interest from the pleasure boat building company, Palmer and Johnson, a new planning application was submitted for this interest but Palmer and Johnson built one boat at the Hythe Marine Park site then, when the vessel was completed, the company went into receivership around 2009.

SEEDA continued to market the site for Marine employment use, attending boat shows, holding seminars and talks with marine employers etc.

SEEDA then became HCA and the site was marketed with Savills to find a new development partner, Oceanic Estates was selected through this process.

Jeremy Herring from the HCA has provided the abbreviated synopsis shown below:-

2003: SEEDA acquired the site from Vosper Thorneycroft

2005: SEEDA went through a full OJEU compliant procurement process to select developers for the residential led element and for the employment element (Marine Employment Quarter). Through this process SEEDA selected a well-known developer to deliver the MEQ. Contracts were not completed and negotiations ceased in 2007.

2007: SEEDA entered into direct negotiations for the sale of the site to American super yacht manufacturer, Palmer Johnson. However, in 2009 it became apparent that the economic climate meant Palmer Johnson was unable to proceed.

2010 SEEDA was approached by a consortium including developer.

2011 The consortium dropped out but the developer continued with an employment scheme until it finally withdrew in September 2013.

2014 The HCA, now Homes England, undertook another full OJEU compliant procurement process and contracted with Oceanic Estates in December 2015. Longstop dates were extended to enable Oceanic to pursue specific parties for occupation of the site.

There have been several interested owner occupiers who have enquired about the site. HCA pursued these directly prior to contracting with Oceanic Estates but nothing came of them as the parties decided not to proceed at Centenary Quay.

Oceanic Estates have to date submitted two planning applications. The first was for the building that is now nearing completion, which was originally designed for the construction of wind turbine blades for a company called Blade Dynamics. Blade Dynamics were then bought by GE Renewables, and Oceanic Estates were asked to secure planning for a large blade testing facility, this building was a large structure some 40m in height. Shortly after the resolution to grant consent was made GE Renewables pulled out of the discussions with Oceanic Estates to focus on an alternative test facility in Holland.

Following this, Oceanic Estates with Lambert Smith Hampton have marketed the property for marine employment uses and have had various discussions with boat manufacturers. There have been detailed discussions with three parties, none of which have resulted in a letting. We have undertaken extensive mailing to marine occupiers with a list of some 1,500 companies having been directly mailed. The property has been listed online, not only on our website but also via the following portals/methods:

- Lambert Smith Hampton website
- CPR South Coast Central magazine
- Rightmove
- Zoopla
- EG Property Link
- EACH (Estate Agents Clearing House)
- CoStar
- Boxpod
- Invest in Southampton
- Invest in Hampshire
- LinkedIn marketing campaign
- LSH industrial applicants emailed
- Email to c.130 local commercial agents
- Marketing boards on cladding around site

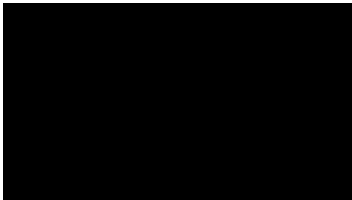
Most recently all companies that exhibited at the sea work exhibition have been sent details and two mailing lists for marine occupiers have been mailed, also various companies have been phoned to enquire if the property is of interest. But as yet there is no interest from Marine related B2 users.

Lambert Smith Hampton are one of the most established commercial agency practices in Southampton with over 15 years trading in Southampton. Lambert Smith Hampton have let more industrial space in and around Southampton than any other agent, having been named EGI Most Active Agent in Hampshire for 13 consecutive years. We have used all available resources to let this property to a marine employer, without success.

The site has received significant exposure to the market since 2003 but the pool of potential tenants is a small one when compared with standard B2 use. This would explain why SEEDA and ourselves have not been successful in attracting a marine related employer to the site.

Kind Regards

Yours sincerely



Adrian Whitfield
Director

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Encl.

CC P Bascombe, Oceanic Estates