

# Merrifields

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12 July 2017

Mr N Searle  
Stapleford Commercial Group Limited  
Gautarn House  
1-3 Shenley Avenue  
Ruislip  
HA4 6BP

Dear Neil

## **Viking Site Caxton Way, Thetford, IP24 2SE**

Thank you for your instructions for us to carry out a marketing review of your proposed development at the Viking Site, Caxton Way, Thetford.

### **Instructions**

To prepare a marketing report reviewing the historic and current marketing for the site owned by the Stapleford Group known as the Viking Site at Caxton Way, Thetford.

### **Experience and Qualifications**

I, Gordon Ellis, the writer of this report and a Director of Merrifields Limited a firm of Chartered Surveyors and Commercial Property Consultants based in Bury St Edmunds. Merrifields specialise in Commercial Agency (sales and lettings), Commercial Property Management, Landlord and Tenant work, Planning and Development and Valuation. Merrifields have 8 employees at the Bury St Edmunds office operate throughout East Anglia, but primarily in the towns of Thetford, Bury St Edmunds, Brandon, Mildenhall and Stowmarket.

I have a Bachelor of Science degree in Property Management and I am a Member of the Royal Institution of Chartered Surveyors. I have in excess of 25 years experience in the profession in the locality and have been working at Merrifields since May 1993.

Merrifields have substantial experience in providing advice to landlord and property owners with regard to the marketing of commercial property and the development of greenfield and brownfield employment sites for commercial and residential use for both new build and refurbishment.



### **Inspection**

The site is well known to me having provided advice to previous owners and occupiers, but I have taken the opportunity since your instructions to re-inspect the site. I have also measured the boundaries of the site (accordingly to Title plans) to calculate site areas. This has been undertaken with the benefit of Promap Digital Mapping.

### **The Site**

The Viking Site is located on the corner off London Road and Caxton Way. The site area is about 2 hectares (4.9 acres). The site formally housed a detached factory parts of which were originally constructed in the 1960's, and where there were later additions. Having a wide range of different constructions, including north roof light, low eaves industrial accommodation (unused for many decades) and a high proportion of low grade office accommodation, the building had become physically and economically obsolete. The building has recently been demolished and the site has been levelled for future development.

### **The Site History**

The Viking Site was originally constructed for Thermos and was acquired by Danepak / Tulip as part of their expansion plan. Only a small part of the building was utilised for this purpose, along with the adjoining modern warehouse (now occupied as a food production unit by 2 Sisters Food Group), which was sold off by Tulip to their logistic company some time ago. The building was adapted and added to over the years and was of different construction styles which made open plan production / warehousing accommodation very difficult. Part of the site was of north roof light construction, part modern steel framed with infills and 2-storey masonry offices.

### **Historic Marketing**

Tulip UK Limited ceased manufacturing and trading from all their sites in Caxton Way prior to our appointment as joint agents in Summer 2009. In 2009 we received joint instructions with Messrs. Stratton Creber of Plymouth (the company's retained agents) and at that time we were instructed to market the Viking Site (along with the Saxon Site, Room 29, the AVP Site and the Bullens Building, (as leasehold interest) next to the Saxon Site). The sites were actively marketed from Summer 2009 through to April 2016 when they were acquired by the current owners The Stapleford Group. The sites were marketed independently but where they could be purchased as a group of sites.

The marketing carried out during 2009 – 2016 is scheduled below:

- August 2009 – Tulip International instructed Merrifields to market the Viking Site. Offers were invited in the region of £2,000,000 for the freehold interest with vacant possession. The marketing initiatives adopted are listed below:
  - Brochure – A brochure detailing the site accommodation, terms and conditions and asking price was produced.
  - Mailing – The brochure was mailed to all applicants on Merrifields and joint agents Stratton Creber mailing lists and to specific industrialist warehousing operators and property developers in the area. This included local occupiers and the local authority.
  - Boards – A large advertising hoarding was erected at the junction with Caxton Way and the London Road, clearly advertising the availability of the Viking Site (and other Tulip sites on the estate).
  - Advertising – The property was widely advertised in the local and national press.

- Internet – Details of the property were made available on the leading internet sites.
- In January 2010 an offer was received from Boparan Ventures Limited (parent company of 2 Sisters Food Group) in the sum of £500,000. The offer was rejected based on advice from Merrifields and Boparan Ventures Limited were invited to propose a higher offer. The 2 Sisters Group advised they were not willing to increase their offer as the site was only of potential interest in terms of long term strategy and not essential to current operations.

The site was continually marketed to attract owners occupiers, developers and/or investors.

- August 2010 Location 3 Properties expressed an interest in acquiring the site subject to planning permission for retail development. Thereafter terms were agreed with Location 3 Properties for a purchase of the site subject to obtaining planning permission for development. In accordance with normal practice the property was withdrawn from the market whilst solicitors negotiated the Contract.
- August 2011 2 Sisters Food Group made further enquiries about the site. They were advised that the property was under offer but other sites in Caxton Way could be made available to them.
- February 2012 contracts were exchanged between Tulip and Location 3 Properties conditional upon planning permission being granted for retail development.

On the 20 February 2012 2 Sisters Food Group contacted Tulip to indicate a willingness to pay the “open market value” for the site. 2 Sisters Food Group were advised that the property was under contract to another party and therefore Tulip were not in a position to accept any offers whilst that contract remained in place. 2 Sisters Food Group did not make an increased offer.

On the 21 February 2012 Location 3 Properties submitted a planning application for retail development.

The planning application was recommended for approval by the local authority planning officers but was refused at committee stage. The planning decision date was 18<sup>th</sup> February 2013.

The site was remarketed by Merrifields on behalf of Tulip, the remarketing included the following initiatives:

- Brochure – An updated brochure was produced.
- Mailing – The brochure was mailed to all applicants on the mailing register and local businesses.
- Boards – The board was altered clearly advertising the property’s availability.
- Advertising – The property was advertised in the local and national press.
- Internet – Internet listings were updated to show the building was once again for sale.
- No further interest was received from 2 Sisters Food Group.

- In Spring 2016 interest from shown from The Stapleford Group Limited in acquiring all of Tulip's interest on Caxton Way.
- Summer 2016 the site was purchased by The Stapleford Group along with other sites belonging to Tulip.

### **Current Marketing**

Merrifields were reappointed by the new owners, The Stapleford Group, in April 2016 to commence marketing of the Viking Site.

The Viking Site is being marketed as a roadside development opportunity where it is being advised that subject to planning permission and an agreement to lease being entered into the site may be suitable for alternative uses in addition to industrial and warehousing.

The marketing has included:

- the production of a brochure
- indicative floor plans of a proposed development
- mailing the brochure to industrial and roadside users
- erection of boards
- placement of details on the internet.

The marketing has resulted in a number of enquiries and offers from prospective retail tenants. Terms have been agreed with one retail tenant and negotiations are ongoing with others. No interest has been received from industrial or warehouse users.

### **Conclusion**

The formers uses of the site became economically unviable due to the physical obsolescence of the properties. The property has now been demolished. The sites were marketed actively between 2009 and 2016 when they were acquired by the current owner. Speculative development of the site for uses falling within Class B1, B2 and B8 of the Use Classes Order is not viable due to current capital and rental values and as such will not take place. If retail permission can be obtained on the Viking Site its development would become viable.

We trust this resume of marketing is sufficient for your needs, but please contact me if I can be of any further assistance.

Kind regards.

Yours sincerely.

Gordon Ellis BSc MRICS  
Director