

Waltham Forest College  
707 Forest Road  
Walthamstow  
London  
E17 4JB

F.A.O Margaret Gallagher & Peter Doble

13 January 2016

Dear Margaret and Peter,

**Land at Spruce Hills Road, Walthamstow, London, E17 4JB**

This letter summarises the campaign Glenny have undertaken on behalf of Waltham Forest College for the disposal of the above site and to update you as to the present status:

**Marketing:**

Glenny undertook a full marketing campaign from the Saturday 14<sup>th</sup> November to the bid deadline of Friday 18<sup>th</sup> December at noon.

This included advertisement in the Estates Gazette, a round robin email from Estates Gazette that reaches all subscribers, a banner advertisement on their Property Link section of the website, an advert on our website, sending the marketing particulars to all on our developer's database and monitoring the online data room we have in place for the site documentation.

In total Glenny sent the marketing particulars to approximately 270 developers and provided circa 64 interested parties with data room access.

**Offers Received:**

In total Glenny received nine offers for the first round bid deadline on the 18<sup>th</sup> December 2015. These ranged from £475,000 to £1,156,400. The top three bids were:

1. Circle Housing -£1,156,400
2. Kind & Co - £1,000,000
3. KTS - £851,786

A number of bids had conditions attached which are summarised in the attached bid schedule. Glenny reported the offers to Waltham Forest College and the decision to enter into a second round with the top three parties was taken.

The second round bid deadline was set for Friday 8<sup>th</sup> January 2016 and the bids were as follows:

1. Circle Housing -£1,181,200
2. Kind and Co - £1,000,000
3. KTS - £851,786

As agreed, Glenny extended the bid deadline for Kind & Co until noon on Monday 11<sup>th</sup> January following their request due to delay in obtaining approval for a revised bid from their investor.

We understand that no response was received from the investor concerned and Kind therefore submitted the same bid albeit with overage attached at 13:21 on 11/01/2016.

Glenny explored the three preferred bidders' data room downloads to ensure due diligence had been undertaken. The results were:

1. Circle – Four visits and 25 downloads
2. Kind and Co – Three visits and 93 downloads
3. KTS – Three visits and 35 downloads

**Recommendations:**

As per our conference call on 11<sup>th</sup> January 2016 our recommendation is to proceed with Circle due to:

- Level of bid
- Due diligence having been carried out
- Financial strength
- Track record in similar types of development (Circle develops around 1,000 units per year).
- The conditions attached to the bid being reasonable

Following our recommendation, you have instructed Glenny to accept Circle Housing's bid in principle, subject to formal College Corporation approval, subject to clarification of several points, and agreement of Heads of Terms.

Glenny has asked for the following details to be clarified with a particular focus on the timescale for each:

- Intrusive site investigations
- A Red Book valuation
- Topographical Survey
- Timeframe
- Board Approval
- Utilities diversion
- Heads of Terms

A solution to how to deal with the existing utilities crossing the site is now being considered by both parties. How the College controls boundary treatment will also need to be considered.

Glenny will continue to maintain frequent contact and pressure on Circle Housing in order to agree reasonable Heads of Terms and facilitate a smooth and prompt completion of the transaction.

The first stage is for Glenny to inform the other two parties that they have been unsuccessful whilst keeping Kind and Co in mind should Circle Housing fail to perform.

**Comments:**

For the purchase we expect Circle to take longer for completion than a private developer, due to the size of the organisation and its housing association status.


There is a risk that the Red Book valuation will not support the bid price although as we have been informed it can be valued as a 100% affordable housing scheme with grant funding available, this may show a better value. However, should the valuation not match up we may need to review our approach.

As far as site investigations are concerned, we do not expect anything untoward in these, bearing in mind the history of the site, however this will need to be reviewed once the results of the site investigations are received.

We will look to retain a copy of the site investigation report. However should the deal fall through and the College wanted to rely on the report, Circle may require a contribution towards the costs, which is normal practice.

The next main stage is to agree the Heads of Terms and we shall liaise with and keep you updated as to our progress. Once these are agreed solicitors can be instructed.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "C. Clark", with a horizontal line underneath.

Christopher Clark LLM PGDip MRICS

Senior Associate

Glenny LLP

**RESIDENTIAL DEVELOPMENT****Land at Spruce Hills Road, Walthamstow****SCHEDULE OF OFFERS RECEIVED 18/12/2015**

<b>PURCHASER</b>	<b>OFFER</b>	<b>DETAILS &amp; ALLOWANCES</b>	<b>CONDITIONS</b>	<b>FUNDING</b>	<b>TIMESCALE</b>	<b>Data Room Activity</b>
1. Circle Housing – (Bob Souster)	£1,156,400	In addition £15,000 for every habitable room that planning is approved on over 39 rooms  Subject to board approval	Unconditional offer Subject to Contract  Topographical Survey  Soils investigation including contamination  Non-obtrusive services investigation to confirm depth and location of services	Funded by cash reserves	Exchange contracts by end of February 2016  Details of completion time- frame to be confirmed	Four visits and 25 downloads

2. Kind & Company Ltd - (Graham Cox)	£1,000,000	n/a	<p>Unconditional Offer Subject to contract</p> <p>Each party responsible for its own costs</p> <p>Good Title and Boundary checks</p> <p>Satisfactory searches</p> <p>Vacant possession</p> <p>Soils and contamination surveys</p>	Details of funding need to be clarified	Four weeks completion from date of exchange	Three visits and 92 downloads
3. KTS – (Khalid Sharif)	£851,786	10% to be paid on exchange	<p>Unconditional offer subject to contract</p> <p>Clean title and Vacant Possession</p>	Cash Funded	<p>Exchange of contracts 30 days from receipt of papers</p> <p>Completion 30 days thereafter</p>	Three visits and 35 downloads
4. AssetRock Ltd - (Saeed Khaliq)	£810,000	<p>Looking at a 9 unit scheme</p> <p>If successful with planning, is happy to enter into overage agreement.</p>	Unconditional offer Subject to Contract	Details to be confirmed	<p>To exchange in 14 days</p> <p>Details of completion time-frame to be confirmed</p>	Hasn't requested data room access but has had sight of pre-app responses
5. Castleguard Homes – (Johnathan Hooker)	£750,000	n/a	<p>Unconditional offer subject to contract and vacant possession</p> <p>No survey or loans required</p>	<p>Cash funded</p> <p>Can supply proof of funds upon request</p>	No dates or times quoted but informs us exchange and completion can be very fast	5 visits and 42 downloads

6. Northport Property Limited – (Alex Horn)	£700,000	<p>Unconditional offer</p> <p>Have recently undertaken a JV with Network rail for circa 220 units in Vauxhall</p>	<p>Subject to Contract</p> <p>Satisfactory measured surveys</p> <p>Each party is to bear their own costs</p>	Funded from the purchasers existing investor and equity resources	Exchange of contracts within 20 working days, with completion 20 working days thereafter	1 visit and 4 downloads
7. Projects Consultancy Limited – (Feroz Yusef)	£500,000	<p>Will to go to Second Bids if required</p> <p>Current deals include the former Walthamstow Police Station is currently pending a 21 Unit scheme</p> <p>No specific surveys are required due to equity already in place</p>	<p>Unconditional offer subject to contract</p>	Cash purchase	Exchange and purchase can be offered simultaneously	2 visits and 15 downloads
8. One Housing Group – (Carlos Delgado)	£500,000	n/a	<p>Unconditional offer</p> <p>Subject to Contract</p> <p>Agreement on Heads Terms</p> <p>Subject to no onerous S106 conditions</p> <p>Satisfactory independent red book valuations;</p> <p>Satisfactory light, site and soil surveys;</p> <p>One Housing Group Board Approval.</p> <p>Satisfactory ground investigation</p>	Details of funding need to be clarified	Details of timescale need to be clarified	2 visits and 28 downloads

9. Cadena AM Ltd – (Jacob Taylor)	£475,000	Do not require any pre-purchase surveys but will need to do normal legal due diligence in order to exchange	Subject to contract	Funded by cash reserves	Can exchange on vendors terms. Have quoted two weeks from acceptance of offer	1 visit and six downloads
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**RESIDENTIAL DEVELOPMENT****Land at Spruce Hills Road, Walthamstow****SCHEDULE OF OFFERS RECEIVED 08/01/2016**

<b>PURCHASER</b>	<b>OFFER</b>	<b>DETAILS &amp; ALLOWANCES</b>	<b>CONDITIONS</b>	<b>FUNDING</b>	<b>TIMESCALE</b>	<b>Data Room Activity</b>
1. Circle Housing – (Bob Souster)	£1,181,200	In addition £15,000 for every habitable room that planning is approved on over 39 rooms  Subject to board approval	Unconditional offer Subject to Contract  A licence agreement for the college for the diversion of services crossing the site at their own expense to be completed by 31 <sup>st</sup> August 2016  An intrusive site investigation  Board approval possible on 17 <sup>th</sup> February 2016 (meet monthly)  Red Book valuation  Warranty for topographical survey	Funded from reserves	Exchange contracts by end of February 2016  Details of completion time-frame to be confirmed	Four visits and 25 downloads



2. Kind and Co – (Graham Cox)	£1,000,000	<p>Has suggested an overage for any habitable rooms over 39 that are achieved via planning</p> <p>Access to site to carry out soil and topographical surveys</p>	<p>Unconditional offer subject to contract</p> <p>Each party responsible for own costs</p> <p>Title and Boundary Checks</p> <p>Satisfactory Searches</p> <p>Vacant Possession</p> <p>Soils and Contamination Surveys</p> <p>The college to arrange for diversions of services to take place</p>	Assumed private investor	Exchange contracts by 24th February with completion to take place 28 days later (ahead of Easter)	Three visits and 92 downloads
3. KTS – (Khalid Sharif)	£851,786	10% to be paid on exchange	<p>Unconditional offer subject to contract</p> <p>Clean title and Vacant Possession</p>	Cash Funded	<p>Exchange of contracts 30 days from receipt of papers</p> <p>Completion 30 days thereafter</p>	Three visits and 35 downloads