FOR SALE

40 acres (16.2 hectares)

On behalf of nationalgrid

THE FORTHQUARTER, WEST GRANTON ROAD, EDINBURGH

EXTENSIVE DEVELOPMENT LAND ON GRANTON WATERFRONT

Potential for residential or mixed-use development, subject to relevant consents

www.forthquarterland.co.uk
The Opportunity

The subject property comprises substantially vacant land which forms part of The Forthquarter regeneration area. Landowner National Grid Property has undertaken an extensive programme of site clearance and remediation, and has initiated a mixed use redevelopment including residential, offices, retail, leisure, and education. The remaining land is a prime development opportunity in the busy Granton Waterfront development zone, which is currently experiencing wide ranging regeneration.

The Forthquarter site is an exceptional opportunity to secure a strategic land holding in one of the areas best positioned to respond to Edinburgh’s high demand for housing, which envisages the need for a further 3,526 households per annum until 2035.

There is a Category B listed gasholder on the site requiring repair at an estimated cost of £11.8 million as part of any development of the site. The vendor is willing to sell the site to a Restoring Purchaser, who will meet the obligations associated with the gasholder.
Edinburgh

Edinburgh is Scotland’s capital city, and the sixth largest financial centre in Europe. Home to the Scottish Parliament, and central to the Scottish Government’s administration, the city has a population of 495,000 people and a catchment population of approximately 1.6 million people in the surrounding Lothian and Fife areas. With projected population growth of 7% over the next decade, the city is thriving and experiencing GDP growth above both UK and European averages resulting from high value service sector activities which account for 85% of Edinburgh’s employment.

The city is also a major centre for Government, science and technology, and is highly acclaimed for education, tourism and the arts. It’s rapidly expanding technology sector benefits from high quality graduate output from Edinburgh’s four universities. Over 100,000 students study in the city at any one time, including more than 17,000 international students, and this offers a rich opportunity for progressive companies to recruit staff.

Edinburgh is a UNESCO World Heritage Site, and a major tourism destination attracting around 3.54 million visitors a year to enjoy the city and major cultural events such as the Edinburgh Festival. Edinburgh is regularly voted one of Europe’s most attractive places to work and live, and draws business visitors for a diverse range of conferences which generate around £300 million a year for the city.

The city has a diverse financial and business community, and is home to more FTSE 100 companies than any other city in the UK outside London. Employing around 35,000 people in financial services, the city is home to two of the world’s top 150 financial services companies, and has substantial presences from companies including Royal Bank of Scotland, Lloyds, Scottish Widows, Tesco Bank, Virgin Money and JP Morgan. In addition, the city’s thriving technology sector has seen rapid growth with office take up rising substantially for these companies over the last three years.

Substantial future investment in the city includes key projects such as the new Queensferry Crossing bridging the Firth of Forth, the new Edinburgh Gateway Railway Station, the Borders Railway Line, the Edinburgh tram system (due to be extended to Leith), and very significant further investment in Edinburgh International Airport and the University of Edinburgh.
The Residential Market

In Scotland, Edinburgh is leading the market with values in the majority of areas at or above pre-recession peaks, and with sustainable growth forecast over the next five years. Average sale prices are the highest of all local authority areas, and 34% ahead of Scottish average. Growth in main stream capital values is forecast to be 20.5% between 2015 and 2019, compared with 17.6% across UK as a whole.

The new build market in Edinburgh continues to be strong with the average selling price being £269 per sq. ft. and it is forecast that Edinburgh requires 3,526 new households annually between now and 2035. It is therefore anticipated that both high demand and high residential values will continue as a result of constraints on the supply of new build properties.

Affordability is a significant issue in the market in general, and in Edinburgh in particular. Granton Waterfront offers the opportunity to build housing close to the city centre but at a price point which is more affordable for the wider population.

Location

The Forthquarter is located 2.7 miles north of the city centre, looking out over Scotland’s iconic Firth of Forth and beyond to Fife. To the west, the city’s attractive Crammond and Barnton areas offer high value housing and amenities including three excellent golf courses. To the east is the balance of the Granton Waterfront redevelopment area, where land owners including City of Edinburgh Council are evolving and delivering development of infrastructure, residential, and commercial space including the new National Collections Facility for the National Gallery, and significant new build housing development. At Granton Harbour, located immediately to the north east, there are proposals for a marina, residential, and retail/leisure project. Some 2.4 miles to the east, Leith offers an attractive historic centre populated with small businesses, cafes and bars, as well as the Ocean Terminal shopping centre and the Scottish Office headquarters. It is also the arrival point for the proposed next phase of the Edinburgh tram, with subsequent proposals to extend the line to Granton.

The location is highly accessible by road, with access west to the city bypass and the national motorway network. Lothian Buses run some eight bus routes that pass by The Forthquarter, giving access to the city centre and surrounding residential areas. The national rail network can be accessed from the city centre, or from Edinburgh Park and the new Edinburgh Gateway Station some 4 miles away to the west at South Gyle. This also provides access to the Edinburgh tram, and to Edinburgh’s International Airport.
Planning

This site forms part of The Forthquarter redevelopment, granted planning permission in outline in February 2001 (Ref: 00/01169/OUT). The planning permission permitted development of up to 2,000 homes of various sizes and tenures, as well as offices and mixed use development, some of which has already been developed out. Over 750 of these homes have already been constructed. Amongst other commitments, the original Section 75 Legal Agreement required 15% of the 2,000 units to be Affordable Homes (totaling 300). As part of the earlier stages of development, over 350 affordable units have been provided (17.5%) and therefore this obligation has been discharged (Application 13/03866/OBL). In terms of that agreement, payments are due to the Council as contributions to education facilities and transportation.

However, the original planning permission expired in 2013. National Grid is in the process of extending the timescale for development and as part of this ongoing negotiation with the City of Edinburgh Council, it has been acknowledged that further affordable housing will be required. It is anticipated that this will equate to a total provision equal to 25% of the total number of homes permitted under the original planning permission. This will mean that around 150 additional affordable homes will be required across The Forthquarter site.

There are two ongoing planning applications at The Forthquarter. The first relates to the extension of the original planning permission. This is a Section 42 application (ref: 14/04800/PPP). The second application is for Listed Building Consent to demolish the existing gasholder (application ref: 12/04566/LBC).

The wider site continues to be supported for housing led mixed-use redevelopment (Edinburgh Local Development Plan – Second Proposed Plan 2014). It is anticipated that future residential development could consist of less dense, lower rise and more family style accommodation. Through more general discussions with the City of Edinburgh Council, it is not anticipated that there will be any resistance to reasonable changes from the approved masterplan and indeed these are supported in the recent Second Proposed LDP (Ref: EW2a). Furthermore, development of offices would also not be resisted on the site.

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The Gasholder

The land for sale includes a gasholder, and the purchaser is required to make provision for repair of the structure (a ‘Restoring Purchaser’). The gasholder (Granton Gasworks No 1 Gasholder) was category B listed (Historic Scotland Ref: 45793) on 10th November 1998. Historic Environment Scotland’s description reads:

W R Herring 1898 – 1902. Column guided gasholder, circular plan, external framework constructed of riveted rolled steel comprising 24 vertical posts with finials (each formerly carrying gas flame) divided into 4 tiers by horizontal tie beams; latticework bracing between. Drum-shaped steel tank to centre above 252ft diameter shaft of brick with cement mortar sunk 37ft into ground.

The total repair cost (including: refurbishment; tank bell demolition; infilling of gasholder tank after demolition; remediation and landscaping) was projected by Davis Langdon in 2011 (adjusted for inflation) at £11.8 million. These repair works must be completed under a contract for sale. In this case the Restoring Purchaser would pay the full cost of the foregoing works as part of the purchase price for the site.

A purchaser may provide an alternative strategy for repair of the structure within their offer in which case the following information will be required: a detailed method statement for how the structure would be repaired; verification of the effectiveness of this method from an appropriate source; details of the proposed consultant and contractor team; fully quantified costs of the proposed method; and proof of funding for the proposed repair. As a listed structure the gasholder shall require long term maintenance. Purchasers will be under an obligation to complete repair within an agreed period after which the title will be transferred.

The Scottish Historic Environment Policy (SHEP) requires that where demolition is proposed within applications for listed building consent that certain tests are met, such as Test D; provision of evidence to show that “the repair of the building is not economically viable and that it has been marketed at a price reflecting its location and condition to potential restoring purchasers for a reasonable period”.

The Forthquarter

The Forthquarter site is a 110 acre mixed use development, which is part of the Granton Waterfront regeneration. The site has been mostly cleared of operational equipment and remediated in part, and has been subject to an extensive development programme over the last 15 years. In addition to the development of key infrastructure and the creation of an attractive 20 acre central park, the development has also attracted:
• A Morrisons supermarket and petrol filling station
• A new campus for Edinburgh College
• A headquarters office building for Scottish Gas
• Residential developments by Bellway, Crudens, Barratt, and Places for People, with over 750 units completed.

National Grid Property have undertaken significant works to create The Forthquarter, opening up the opportunity for a new owner to complete this transformational development. The whole of The Forthquarter site is shown on the plan above, and the area of land available for sale is approximately outlined in red. In total, the site for sale comprises 66 acres, of which approximately 40 acres are potentially available for further development, net of the parkland, and net of proposed and already constructed roads.

The land for sale falls into the following principal zones:

**The Forthquarter Park**
The Forthquarter Park comprises approximately 20 acres of landscaped lawns, trees, and water features, which provides an amenity for the whole development and a green pathway through it. This park area is subject to a Deed of Conditions which covers the whole of The Forthquarter development, and is ultimately intended to be maintained from charges raised from occupiers within The Forthquarter.

**The Western Neighbourhood**
The Western Neighbourhood has already seen the construction of 750 homes by a range of developers. The balance of the developable land here comprises 7.4 acres, net of proposed and existing roads, which was not considered to require remediation, and is available for immediate development.

**The Central Area**
The Central Area comprises approximately 30 acres of land, net of proposed and existing roads, the majority of which has been cleared and remediated but with some further remediation work required which National Grid shall undertake under a contract of sale. See the data room for further details. However, the northern most area has some existing structures in industrial and storage use, currently leased to SGN. The site also houses the listed gasholder, which is referred to separately in this brochure.

**The Station**
The former station building is an attractive Grade B listed structure with associated platforms, and set within an open site of approximately 2.68 acres. Built in brick and a pitched slate roof with glazed roof lights, the building is arranged over two floors, in total providing approximately 7,420 sqft (690 sqm) gross internal floor area. It is largely open plan internally, giving the opportunity to configure flexibly.
GROUND CONDITIONS

Reports are included in the technical information available on request from Cushman & Wakefield.

SERVICES & INFRASTRUCTURE

Prospective purchaser should undertake their own services searches for The Forthquarter site.

Please note that the current development discharges surface water into the existing Scottish Water sewer network on West Shore Road to the north of the site. This network has limited capacity and is unlikely to be able to accept additional discharge. Consequently, a new outfall to the Firth of Forth dealing specifically with surface water from The Forthquarter is fundamental to its further development. This would require planning permission and supporting studies and would also entail construction works on third party land to the north.

TITLES

Port Greenwich Limited own the heritable title to the property, the Scottish equivalent of freehold. Port Greenwich Limited is a subsidiary of National Grid.

MANAGEMENT & SERVICE CHARGE

The land for sale is affected by a deed of conditions providing for the maintenance of open space and other common infrastructure. The costs include for such items as landscape maintenance, lighting, maintenance of drains and other infrastructure, CCTV monitoring, and winter gritting. Currently the annual contribution by the vendor for its share of this maintenance amounts to approximately £100,000. A copy of the Capita 2015 Service Charge Budget Report is included in the technical information available on request from Cushman & Wakefield.

OFFERS

Offers are invited for the heritable interest in the entire subjects. Offers must be on the basis of the purchaser acting as a Restoring Purchaser, who will undertake the obligations set out in this brochure under the heading “The Gasholder” to repair and subsequently maintain the listed gasholder.

The vendor reserves the right to call a closing date, and is under no obligation to accept any offer.

The vendor reserves the right to sell the site without reference to any other party. The sale of the subjects will be subject to an environmental indemnity in favour of National Grid Property in the seller’s standard form.

FURTHER INFORMATION

For further information, or to view the site, please contact the sole selling agent.

Site investigation, remediation verification and title information (including the sellers standard environmental indemnity) is available subject to an NDA, and access can be shared by the selling agent.

Parties should register interest in order to be kept informed of any closing date set.

To obtain further information please contact:

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