

Creating an invisible 'extra slice' on a property disposal



SBM completed a freehold property disposal with two important wins: overcoming challenges to secure an uplift in the sale price and completion in a rapid timeframe.

Our client's property scenario

Our client occupied a freehold property in Leicestershire that was no longer needed because a new design and build was nearing completion.

The 105,000 sq ft property was a hybrid of office and warehouse space - with 70 per cent of it being used for offices.

SBM was instructed to investigate the options for either retaining the property for a subsidiary business or disposing of it.

“Achieving an invisible top slice, for our clients, depends on attracting a critical mass of potential buyers.”

Property challenges

SBM expertise applied extensive and detailed research of the local property market to inform the decision making.

Well-presented marketing, the right broker combination and creating tension in the negotiation process delivered the desired invisible top slice.

The premises' high office content posed a potential challenge when presenting the property to the market. Typically a warehouse/industrial premises provides for 10-15% office content. The site also contained an old fuelling tank without any formal documentation confirming its safe decommissioning.

Our recommendation was that the property should be sold by private treaty.

Property solution

Following our tried and tested process, we went into the local market and interviewed and selected agents and designed a high impact marketing plan.

We recommended an agent quoting offers in excess of £12m. Working with our appointed broker the marketing was successfully launched with close attention paid to the presentational standard of the premises.

Within two months eight offers were received ranging from £11m to £16m. Although the high office content was a deterrent for some parties, many recognised the site's potential in a booming market.

While the marketing was underway the fuel tank was formally decommissioned. We investigated the financial strength of the bidders and, in conjunction with the agent, recommended one of the offers.

Result

- ✓ We advised the client to proceed with an offer of £15m, creating the invisible 'top slice' on the property disposal - £3m above the original asking price.
- ✓ To meet the client's tight deadline, contracts were exchanged and completed simultaneously which we consider to be an exceptionally rapid sale time frame.

SBM expertise applied



Extensive and detailed research of the local property market informs decision making.



Well-presented marketing, the right broker combination and creating tension in the negotiation process delivered a higher than expected sale.

