



# THE MARLANDS

SOUTHAMPTON  
SO14 7SJ

FLAGSHIP MIXED USE DEVELOPMENT OPPORTUNITY









## INVESTMENT SUMMARY

- ▶ 3.54 acre freehold mixed use development opportunity at the centre of Southampton's growth strategy
- ▶ Positive pre application from Southampton City Council for a mixed use scheme including 505 residential units
- ▶ Southampton has been selected as a low tax investment zone, including full SDLT relief and streamlined planning applications
- ▶ The Marlands development is at the heart of Southampton's Mayflower Quarter, Cultural Quarter and retail core
- ▶ Thriving economy generating £7.7bn and the UK's largest port
- ▶ A young population with two universities and 43,000 students
- ▶ Limited BTR supply and large demand pool with 36% of the population aged between 20-34 and 42% within the Experian Mosiac demographic group 'Rental Hubs'
- ▶ Strong hotel and Senior Living demand
- ▶ 5 minute walk to Southampton Central train station with direct access to London within 1hr 10 mins
- ▶ Significant private and public investment
- ▶ The 2022/23 service charge budget has been amended and updated
- ▶ Current gross income of £1,615,971 and net income of £694,518 with a clear Vacant Possession strategy









## SOUTHAMPTON

CATCHMENT POPULATION  
**OF 472,130**



**OVER £1BN  
DEVELOPMENT IN  
MAYFLOWER QUARTER**



**3RD HIGHEST**  
GROWTH CITY RANKED BY PWC



  
**TWO UNIVERSITIES**  
WITH 43,000 STUDENTS



**DIRECT TRAIN  
TO LONDON  
1 HR 10 MINS**

UK'S CAPITAL  
FOR THE CRUISE  
INDUSTRY WITH  
**2M CRUISE  
PASSENGERS PA**

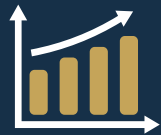


**LARGEST UK PORT  
WITH 42M TONNES  
OF TRADE  
WORTH £71BN**

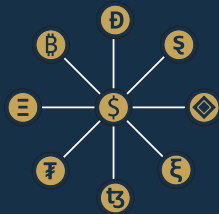


**OVER 7,500  
BUSINESS  
IN THE CITY**

**ECONOMY WORTH  
£7.7BN**



**REGIONAL ECONOMIC HUB  
& GLOBAL GATEWAY**



## CONNECTIVITY

Southampton is one of the UK's primary retail centres and a principal South East port city being located 75 miles south-west of London, 20 miles north-west of Portsmouth and 33 miles north-east of Bournemouth.



Southampton benefits from excellent road communications, situated just 3 miles south of the M3 motorway, which connects to both the M25 and the M27, the latter providing links to Portsmouth to the east and Bournemouth to the west.



Southampton Central Train Station operates fast and frequent rail services, providing 144 daily direct trains to London (1 hr 10 mins). Additional crosscountry services are provided to the south coast towns of Portsmouth (35 mins), Bournemouth (30 mins) and Winchester (15 mins).



Southampton International Airport is situated approximately 4 miles to the north-east and provides flights to over 40 UK and European locations.



The Port of Southampton is a major passenger and cargo port with an estimated 42 million tons of cargo, 900,000 vehicles and 2 million passengers passing through the city each year.





# CATCHMENT & DEMOGRAPHICS

## AGE BAND

Age Bands	National Average	Index	Southampton %
Under 15	17.86%	87	15.52%
15 - 19	5.48%	126	6.89%
20 - 24	6.14%	265	16.29%
25 - 34	13.43%	145	19.52%
35 - 44	12.67%	94	11.95%
44 - 54	13.29%	74	9.79%
55 - 64	12.46%	68	8.52%
65+	18.66%	62	11.51%

CATCHMENT POPULATION OF  
**472,130**  
WITHIN 20 MINS

SOUTHAMPTON BOASTS  
**A YOUNG AND VIBRANT  
ECONOMY WITH 36%  
POPULATION  
AGED BETWEEN 20-34 COMPARED  
TO THE 19% NATIONALLY**

THE LARGEST EXPERIAN MOSAIC DEMOGRAPHIC GROUP IS  
**'RENTAL HUBS' WITH 42%**  
OF THE POPULATION, ALMOST 5.5 TIMES THE NATIONAL AVERAGE OF 8%

# LARGEST MOSAIC GROUPS

O Rental Hubs	N Urban Cohesion	H Aspiring Homemakers
68,974	14,893	14,067
(41.88%) 538	(9.04%) 166	(8.54%) 81
Young singles and homesharers	Homesharers in terraces	Families with young children
Rent flats	Uber passengers	3 bedrooms
Very high mortgage debt	Free mobile phone apps	High outstanding mortgages
Internet via smartphone	Read news and shop online	Internet via smartphone
Watch videos online	Visual arts and design sites	Text and photos on smartphone
Don't use landlines	Watch TV	Order from takeaways



# SOUTHAMPTON MASTER PLAN

Southampton's Economic & Green Growth Strategy is a dynamic vision to deliver substantial investment into the City centre. The Marlands offers a gateway development opportunity at the heart of the Mayflower Quarter, Cultural Quarter and retail core.

Southampton is expected to deliver a number of Residential developments over the next 10 years with a new government tax relief investment zone. It is believed that 6 sites have been highlighted for large scale redevelopment.

## KEY

Key	Location	Phase	Further Information
1	Bow Square	Complete	Completed in November 2018, the £60m investment into the City Centre by Patrizia, produced 279 BTR residential units.
2	East Street	Complete	Launched in March 2021, the 132 BTR units developed by Grainger were fully let within 3 months.
3	Bargate Quarter	Construction	The development by L&G in partnership with Tellon Capital will provide 519 new homes alongside c.30,000sqft of ground floor commercial space in the heart of Southampton's City Centre.
4	Maritime Gateway	Construction	Approved by Southampton Council in March 2022 and now in the construction phase, the development by Packaged Living, located opposite Southampton Centre station, includes 630 BTR units, alongside 65,000sqft of office space, 8,800sqft of retail space.

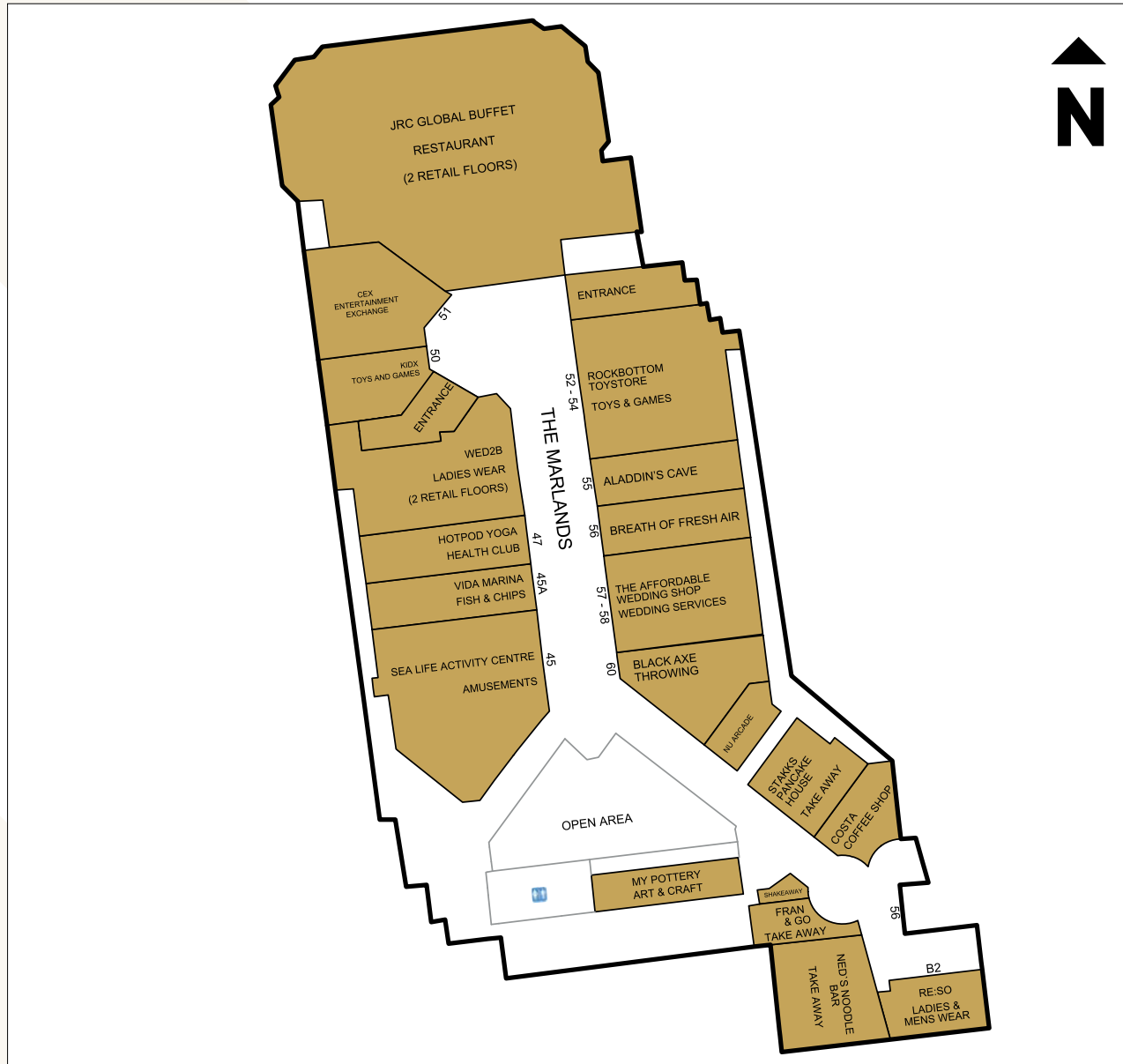








## FIRST FLOOR



## EXISTING SCHEME

The Marland's is a covered shopping centre constructed in 1991, with access from Above Bar Street and Portland Terrace. The scheme is serviced via Windsor Terrace and benefits from close proximity to footfall drivers Asda and two of Southampton's most used car parks.

## VACANT POSSESSION

The majority of tenants occupy on flexible, concessionary lease terms with an opportunity to achieve vacant possession from Q4 2024.





## DEMAND

### RESIDENTIAL RENTAL

Monthly rents in Southampton, for good quality rental product, are currently achieving £950 for one bed units, £1,400 for two bed units and in excess of £1,350+ for three beds. But there is limited bespoke BTR supply.

Institutional interest in Southampton's BTR market is growing with two recent transactions, Bow Square by Patrizia and East Street by Grainger. Going forward, L&G's Bargate Quarter will provide c. 520 and Packaged Living's site will deliver c. 600 units. A large increase in supply but from a very low base point

### RESIDENTIAL SALES

Southampton experienced growth of over 12.7% in 2021, one of the highest in the UK and is predicted to continue at over 7.5% in 2022. City centre sales values are over c.£375 psf on new builds underpinned by a strong jobs markets, universities and a young population.

### SENIOR LIVING

The gap between supply and potential demand is set to grow over the next decade as the Baby Boomer generation continues to move through this phase of housing need. Homes in Integrated Retirement Communities (IRCs) commanded a premium of up to 20% over their wider local new build market and are achieving c.£450 psf. With £4.6bn committed to the UK Senior Living sector in the past 18 months, the demand for funding IRC continues to grow.

### HOTEL

Strong hotel demand from Accor, IHG, Marriot and Lamington Group is driven by limited supply and a buoyant local economy and a thriving tourist market. Rates in Southampton City centre are over £5,500 per room.





## DEVELOPMENT OPPORTUNITY

- ▶ A pre-planning application has been submitted
- ▶ The design includes 6 towers ranging from 6-18 storeys
- ▶ The current design includes:
  - 505 Residential units, comprising 78 studios, 194 1-beds, 180 2-beds & 53 3-beds
  - 4,637sqft of Hotel/Office space based over 8 storeys
  - 2,494sqft Health Centre
  - 90 basement car parking spaces
  - Retail, food & beverage, gym and nursery space

## PRE-APP RESPONSE

- ▶ A response to the pre-app was received on the 2nd September 2022.
  - ▶ The response was supportive, described as 'an exciting opportunity to rejuvenate the heart of the city centre'
  - ▶ BREEAM Excellent is expected
  - ▶ Historic England, Heritage Advisors & the Design Advisory Board were all supportive with the design
- More information available on request.**

## SOUTHAMPTON INVESTMENT ZONE

Tax and development relief for specified sites include:

- ▶ Full SDLT relief for land and buildings bought for the use of development for commercial and residential purposes
- ▶ 100% relief from business rates on newly occupied business premises and for certain businesses when they expand.
- ▶ A zero rate for Employer National Insurance contributions on new employee earnings up to £50,270 per year.
- ▶ 100% first year enhanced capital allowance relief for plant and machinery used within designated sites and accelerated Enhanced Structures and Buildings Allowance relief of 20% per year.
- ▶ In development sites, planning regulations will be minimised to streamline planning applications, support accelerated development and release more land for housing. DLUHC will set out more detail on this shortly.
- ▶ Local growth funding can be streamlined, as well as additional streamlining and flexibility with affordable housing fund and brownfield infrastructure fund.



## TENURE

This 3.54 acre property is held freehold.

## ADDITIONAL INFORMATION

### Service Charge

The 2022 service charge budget for the shopping centre totals £1,546,559, equating to approximately £7.93 per sq ft.

### Asbestos

The asset is free of asbestos.





## FURTHER INFORMATION

### VAT

The property is registered for VAT and is it proposed that the sale will be treated as Transfer of Going Concern

### EPC

Copies of EPC are available upon request

### Data Room

Data room is available upon request

### Proposal

£8,000,000

Net initial yield 8.14%

£41 per sq ft / £2,560,000 per acre

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