

Alan Richards  
Southend-on-Sea City Council  
Civic Centre  
Victoria Avenue  
Southend-on-Sea  
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SS2 6ER

23<sup>rd</sup> May 2022

Dear Alan

## SEAWAYS LEISURE DEVELOPMENT, SOUTHEND-ON-SEA

I write to confirm that CBRE have continued to advise from a property and commercial perspective on the proposed Seaways Leisure Development transaction since the Cabinet approval on 2<sup>nd</sup> November 2021.

Our continued due diligence and engagement with Turnstone Estates on behalf of the Council has allowed us to continue to support an annuity lease structure to unlock the delivery and funding of the development.

However, we are of the view that the Council would benefit significantly for the transaction to be varied (as approved in November 2021) by way of a new suite of documents rather than simply varying existing documents (as the approval catered for in November 2021).

This will ensure that prospective funders (of whom CBRE will be engaging with on behalf of the Council, jointly with Waring & Partners) are presented with a relevant and clean set of drafted documentation when considering the transaction. In our view, this will be advantageous to the Council's commercial position and maximise the opportunity for competitive bidding as well as removing execution risk to the transaction i.e. by reducing the prospect of significant changes from funders.

In addition, we also understand the Council has received procurement and legal advice that the new suite of documents would remove redundant legacy drafting to mitigate procurement risk (since the documents were originally drawn up in 2014) which we appreciate is also an important consideration for the Council. We understand that advice has been sought from both Counsel & Pinsent Masons.

More widely, it is also encouraging to note that generally, and despite the cost of living pressures facing the country, that the leisure and restaurant sectors continue to recover well from the impacts of the pandemic. This has been demonstrated at Seaways itself with a further large leisure letting expected to go under offer shortly which will take the overall pre-let of the development to over 75% (by forecast income) – even before construction has commenced.

Kind regards,



**LUKE WILSON**  
**DIRECTOR - NATIONAL INVESTMENT PROPERTIES**

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