



BRUNSWICK MILL RELOCATION STRATEGY REPORT DECEMBER 2022

BACKGROUND.

Brunswick Mill is a large Mill premises which currently houses 11 tenants who all occupy premises under leases which contain varying break notices of between 14 days and 6 months. In Appendix 1 is a schedule of the current tenancies with lease expiry dates and the formal notice periods agreed with the occupiers when they entered into their leases to secure vacant possession

The owners are wishing to bring forward the regeneration of the existing Mill premises and are therefore seeking to secure vacant possession.

In May 2022 Avison Young issued a report which was submitted with the planning application. This report (see Appendix 2) explains the process of pre-application consultations with the tenants and the report concluded that the owner was:-

- To provide a notice period to all tenants of to at least 6 months, even if some have a shorter legal notice period.
- To provide regular updates to the City on the potential timing for any development.
- To work with the occupiers to ensure that they will not have to pay rent and overheads at more than one property should they find suitable alternative accommodation during the initial or formal notice period.
- To provide guidance to tenants in relation to finding new accommodation.
- To provide the tenants with a contact at a firm of surveyors who will assist, at no cost to the tenant with the search for alternative accommodation and arrange (if requested) viewings of suitable accommodation.



In the Minutes of the Planning and Highways Committee held on 23rd September 2021 are the Conditions to be attached to the decision for approval and Condition 3 states

3)Prior to the commencement of works to Brunswick Mill, a relocation strategy for the commercial uses shall be submitted for approval in writing by the City Council, as Local Planning Authority. This shall include details of the support and assistance given to relocate the existing businesses and timescales for relocation. The approved strategy shall then be implemented, and confirmation provided as to the effectiveness of the strategy within a timescale to be agreed in writing with the City Council, as Local Planning Authority.

Reason-To ensure that a strategy is in place to relocate the existing office use from the premises pursuant to policies SP1, EC1 and EC2 of the Manchester Core Strategy (2012).

It should be noted that none of the occupiers are office users and the wording could be amended to 'commercial uses'.

STRATEGY

The owners are prepared to extend all the notice periods to 6 months (unless the tenant does not require the same) and it is proposed that these notices will be served in January after further briefings and individual consultations have taken place.



The owners have already started to make contact the tenants via a letter and/or email (see Appendix 3) advising them that the Council are minded to approve the planning application and a process to assist in relocating from the building is being offered.

The owners will appoint a commercial firm of surveyors to work in conjunction with themselves to manage this strategy and provide the level of support needed to ensure a timely and managed move to alternative accommodation.

Initial meetings will take place during the remainder of December and early January with the tenants to establish whether they would like assistance to identify alternative premises and agree the programme to move their operations.

Some of the tenants had already started making plans to move which would be advanced from triggering this relocation process. It was generally recognised that alternative accommodation might be more expensive due to the nature of alternative accommodation being sought. In order to assist with the cost and cash-flow which will arise from a move the owners are prepared to reduce the rent on the Brunswick Mill accommodation to ZERO from the date of signing a new lease on alternative accommodation if this removes the potential of double overheads.

RELOCATION PROCESS

- 1) In December 2020 the owners will write to all tenants confirming that the regeneration of the building is going ahead, and that vacant possession is now being sought. This letter offers to all tenants a free service from a property consultant to carry out a search and identify alternative buildings.
- 2) The owners will instruct a firm of property consultants to manage the relocation strategy.
- 3) The appointed consultants and owners will arrange meetings with all the tenants between mid-December and early January to seek information on their businesses and establish the criteria for alternative accommodation in terms of location, type of accommodation and budget.
- 4) The consultants will then provide to each of the occupiers a schedule of alternative properties and arrange if requested viewings of potentially suitable properties.



5)The owners will issue formal notices to all the tenants before the end of January 2022 requiring vacant possession within 6 months. The period provided within their tenancy agreements would be extended for upto 6 months where tenants require such an extended period.

6)The tenants will negotiate and conclude a lease or acquisition with a target date of leaving the Mill by July 2022.

7)The consultants will on a monthly basis communicate with the tenants over the progress being made to find alternative accommodation and provide where possible practical/professional support in arranging viewings etc. The owners will keep the City Council informed of the progress being made by the tenants to secure alternative accommodation.

8)The owners are prepared to contribute to the relocation costs of each tenant up to a sum of £2500.

9)The owners will agree that if the tenant has secured new premises during the notice period that they will not incur duplicate charges on Brunswick Mill.

10)The owners will provide a report to the City advising on the final outcome of the strategy.

APPENDICES

APPENDIX 1- Tenancy Schedule

APPENDIX 2- Avison Young Strategy with Existing Tenants (May 2021)

APPENDIX 3- Letter to tenants (December 2021)



APPENDIX 1

Tenancy Schedule.

Brunswick Mill, Manchester - Tenancy Schedule - December 2021

[illegible]

Lease Address	Gross Internal Area	Tenant Name	Use	Start Date	Term	Expiry Date	Next Break Date	Break Type	Rent per Annum	Next Rent Review	Service Charge	Review Type
Unit 18 4th Floor	1,446.000	Paul AC Stone	Textile Manufacturing and storage	25/03/2016	6	24/03/2022	6m Notice	Landlord	16,000.00	–	1,870.00	–
Unit 19 Fourth Floor	312.000	Vacant	–	–	–	–	–	–	–	–	–	–
Unit 20 Fifth Floor	1,758.000	Vacant	–	–	–	–	–	–	–	–	–	–
Unit 21 Sixth Floor	1,758.000	Vacant	–	–	–	–	–	–	–	–	–	–
Land at Beswick Street	0.000	Vacant	Vacant Land	–	–	–	–	–	–	–	–	–
	14,818.000								124,095.00		6,522.00	



APPENDIX 2

Avison Young Strategy with Existing Tenants (May 2021)

Brunswick Place, Manchester Strategy with Existing Occupiers



May 2022

Prepared By: Peter Skelton
For and on behalf of Avison Young (UK) Limited

BRUNSWICK MILL, MANCHESTER

DIALOGUE WITH EXISTING TENANTS

INTRODUCTION

As part of the consultation process Avison Young were asked by the owners of Brunswick Mill to meet with the tenants to seek their thoughts regarding the submission of the proposed planning application and establish their future thoughts on seeking alternative accommodation.

These meetings and conversations took place in March and April 2021. It was explained that any relocation would be handled on an open basis and regular updates on the potential timing for any development. Although it was not possible to provide any definitive dates the message relayed was that a start on site is unlikely for to occur for at least 15/24 months with planning and procurement likely to take up the majority of this time.

All the tenants welcomed the opportunity to explain their individual needs and concerns.

Some had already started making enquiries on alternative accommodation/relocation options but all wished to take up the offer of assistance in identifying alternative properties especially when there is more certainty over the commencement of development.

The range of occupiers are varied but all benefit from relatively cheap accommodation. There was a recognition that the occupational costs are unlikely to be replicated in alternative accommodation.

The tenants occupy on a range of different leases but all have formal notice periods to vacate of between 2 and 6 months. The period for notification to vacate was discussed and all indicated that 6 months should be a minimum period to start the planning a move.

There are 11 tenants at Brunswick Mill. Contact has been made with 10 (8 met on site, 2 spoken on phone due to COVID reasons) and the 11th unable to meet and in Pakistan.

UNIT 1: Hassan Babaker. Cleaning filters. 79m2. 2 employees

- Business is trading badly due to closure of restaurants.
- The business has no fixed plant but needs grease traps and GF accommodation
- Requires alternative space close to City.
- 6 months would be preferred
- Already looking for space.
- Would accept assistance in search

UNIT: 2, 9 and 10. Michael Rickard. Music studios. C1800m2. Set up in 2006

- Operation runs like a co-operative with 4 partners all sharing in the 65 rooms.
- There are 15 mini businesses offering a variety of musical services incl. lessons and repairs.
- The property supports a wide of individual musicians and groups.
- Recognition that they will have to move and don't want to stand in the way of the progressive development in Manchester. They want to replicate the operation in one or two new venues and will

need a similar total amount of accommodation. They realise that their use and quantum of space cannot be facilitated at a redeveloped Brunswick Mill.

There is clearly a concern over finding new accommodation and welcomed support from Maryland to assist finding alternative accommodation. They feel that between 6 and 12 months would be needed to find alternative accommodation and fit out.

They wish to remain close to the City but recognise that they will be led by availability of suitable property. They would like a 10year lease to provide security. They can operate on upper floors which may make search easier.

Concerned over double overheads if suitable alternative property is found.

They clearly need guidance and welcomed assistance. From Maryland. Agreed to send MR list of commercial agents.

UNIT 3: 5 and adjacent suite. Khalid Saleem. c 320m2. 2 employees

- Buying and selling sewing machines
- Would like to remain in a similar location (if possible).
- Needs GF accommodation.
- Would welcome support in identifying alternative property.

Unit 4: ONEX SPORT LTD. Khawaja Taskeen.818m2. 8 employees

- Import and distribution of sports equipment
- Already needs to move as not sufficient space on GF.
- Seeking c 30,000sq ft and will look within Gt. Manchester. Prefer good headroom
- Would appreciate help in search.

Unit 11 and 12: Dominic O'Grady (Leonard Skully Ltd). 140m2

- Runs 17 small music studios. Partially affected by damp conditions
- Would like to find alternative accommodation with 2/3 mile radius for minimum of 10 rooms.
- Recognises non compatibility with residential development and has started looking elsewhere. Could pay c £4/5psf if rent free to fit out.
- Would like minimum of 6 months notice

UNIT 7: Danny Durica. 100m2.

- Storage of catering equipment. Owner of business doesn't want to retire and would like small unit to continue business.
- Ideally similar type of building on GF and proximity to city.
- Wants 6 months notice and welcomed assistance at appropriate time.

Unit 8: Zuliqar Ali. 372 sq m.1 employee

- Supplies and repairs domestic appliances. 14 year old operation.
- Needs similar GF accommodation in similar location such as Longsight and Levenshulme
- Would like at least 12 months notice and any assistance would be welcome.

Unit 13: Tony Forde. 399m2 Marial Arts.

- Would like to remain in Brunswick Mill (if possible).
- Ideally similar size unit.

UNIT 14: Cobra Textiles. 2,500m2.

- Manufacture and distribution of finished garments. Storage
- A number of fixed looms and equipment.

NO CONTACT DUE TO FAMILY IN PAKISTAN

Unit 18: Dreamtex Ltd. 1446 sq m. Employ 12 people (on furlough)

- Accepts that a development is inevitable.
- Manufactures bed linen and tableware- 'cut, make and trim' operation.
- One large spreader machine.
- Due to his age the owner Paul would like to sell his business and leave discussions to others.
- Probably needs 8/10,000sq ft on GF and might afford £3.00 with requested assistance to move (rent free /no double overheads)

CONCLUSION

Recognition by all that their businesses would have to move to facilitate the development.

There was a clear message that the formal notice periods in the current leases were not sufficient to give a realistic chance to secure new accommodation. All would like a minimum of 6 months notification. When the proposal progresses further the tenants wished to be informed of progress regarding the development.

All welcomed this initial approach and were grateful for initial guidance and early contact on how to establish and seek new accommodation.

Concern was raised by some of the occupiers on the risk of double overheads if new alternative space was found.

As part of the continuing process the site owner is willing

To provide a notice period to all tenants of to at least 6 months, even if some have a shorter legal notice period.

- To provide regular updates on the potential timing for any development.
- To work with the occupiers that they will not have to pay rent and overheads at more than one property should they find suitable alternative accommodation during the initial or formal notice period.
- To provide guidance to tenants in relation to finding new accommodation, upon the grant of planning permission and listed building consent.
- To provide the tenants with a contact at a firm of surveyors who will assist at no cost with the search for alternative accommodation and arrange (if requested) viewings of suitable accommodation.

In December 2021 Gateley Legal (lawyers for the owners) wrote to the City of Manchester submitting a draft proposed relocation strategy and asking the Planning Officer to provide feedback and clarification, a response from the City of Manchester was received and those further points are dealt with as follows

Assisting the tenant to Stay in Manchester

The occupiers will be encouraged to seek alternative accommodation in Manchester, preferably in close proximity to the current premises and occupiers will be notified that they have the opportunity to seek assistance through the Business Growth Hub www.businessgrowthhub.com.

Option for tenants to relocate back to the building once the development was complete

During the pre-application phase and the application phase discussions were held with occupiers and only one tenant considered that relocation in a residentially led development was compatible. This occupier (Great Kings-martial arts) is seeking short term alternative accommodation and wishes to discuss options to return to the building at a later point.

Further detail of businesses at Brunswick and the number of employees

A schedule of tenants is appended. Listed below are details of the occupiers together with the number of staff employed by those occupiers. Many of these companies utilise part time and temporary staff so the figures are approximate and can only be used as a guide

- | | |
|--------|--|
| (i) | Filter cleaning business. 2 employees |
| (ii) | Music studios. 5 employees* |
| (iii) | Sewing machine repairs. 2 employees |
| (iv) | Sports equipment storage. 8 employees |
| (v) | Music Studio. 2 employees* |
| (vi) | Kitchen equipment storage. 1 employee |
| (vii) | White goods storage. 2 employees |
| (viii) | Martial Arts. 1 employee |
| (ix) | Textile Manufacturer. c10/20 employees |
| (x) | Textile Manufacturer c12 employees |

*These units are split into numerous rooms and occupied on informal arrangements.

Timescale for the review of the document to be submitted demonstrating the effectiveness of the strategy in line with the draft condition

The City have requested that the applicant would submit a timescale for a review document to be prepared demonstrating the effectiveness of the strategy.

The owner has previously written to the occupiers advising them that the Council are minded to approve the planning application and setting out a process to assist in relocating from the building.

The owner has appointed a commercial firm of surveyors to work in conjunction with themselves to manage this strategy and provide the level of support needed to ensure a timely and managed move to alternative accommodation.

Initial meetings are taking place with the tenants to establish whether they would like assistance to identify alternative premises and agree the programme to move their operations.

Some of the tenants had already started making plans to move which would be advanced from formally triggering this relocation process. It was generally recognised that alternative accommodation might be more expensive due to the nature of alternative accommodation being sought. In order to assist with the cost and cash-flow which will arise from a move the owners are prepared to reduce the rent on the Brunswick Mill accommodation to ZERO from the date of signing a new lease on alternative accommodation if this removes the potential of double overheads.

Final Outcomes Report

12 months after the service of notice to vacate upon the tenants, a report shall be submitted to the City Council summarising the strategy utilised and identifying the relocation outcome for each tenant.

Contact Details

Enquiries

Peter Skelton

07702 883824

Peter.skelton@avisonyoung.com

Visit us online

avisonyoung.co.uk

APPENDIX 1 - TENANCY SCHEDULE

Brunswick Mill, Manchester - Tenancy Schedule - December 2021

[illegible]

Lease Address	Gross Internal Area	Tenant Name	Use	Start Date	Term	Expiry Date	Next Break Date	Break Type	Rent per Annum	Next Rent Review	Service Charge	Review Type
Unit 18 4th Floor	1,446.000	Paul AC Stone	Textile Manufacturing and storage	25/03/2016	6	24/03/2022	6m Notice	Landlord	16,000.00	–	1,870.00	–
Unit 19 Fourth Floor	312.000	Vacant	–	–	–	–	–	–	–	–	–	–
Unit 20 Fifth Floor	1,758.000	Vacant	–	–	–	–	–	–	–	–	–	–
Unit 21 Sixth Floor	1,758.000	Vacant	–	–	–	–	–	–	–	–	–	–
Land at Beswick Street	0.000	Vacant	Vacant Land	–	–	–	–	–	–	–	–	–
	14,818.000								124,095.00		6,522.00	