



Delancey's Gateway residential debut

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Essential Land teams up with Ritblats, Holley and Blake for schemes worth £300m

Jamie Ritblat's Delancey and two top former UK agents have separately teamed up with Essential Land to buy two Thames Gateway sites that can accommodate a £300m residential-led development programme.

In Delancey's first residential development deal, it has bought the GlaxoSmithKline site in Dartford Town Centre with Essential Land for £15m.

The 33 acre site, off Temple Hill, will be vacated by the pharmaceutical company in 2013 and redeveloped to create a £200m mixed-use scheme. It will have around 970 homes and a 50,000-100,000 sq ft commercial and retail complex.

Essential Land will project manage the masterplanning and remediation of the site.

In a second transaction, Essential Land founder Darryl Flay has secured backing from former CB Richard Ellis industrial agents Simon Holley and Simon Blake to buy the 18 acre Sittingbourne Paper Mill complex in Kent for £6m.

Holley and Blake left CBRE to set up fund manager Altyon Partners last September and launched a £1bn pan-European opportunity fund. Finance for Sittingbourne, which, like Delancey, is Blake and Holley's first foray into residential development, is separate from this fund.

The paper mill site was once the largest newsprint factory in the world and Essential Land and Holley and Blake have set up Essential Land (Sittingbourne) to develop a £95m mixed-use regeneration scheme. It will comprise around 250 homes, a foodstore centre and a retail park. Planning is expected to take up to 18 months and demolition is under way.

Essential Land is likely to develop part of the residential elements of both projects under its Essential Living brand. Essential Living has already bought several residential projects and is developing and marketing David Mews in Greenwich — three 1,750 sq ft luxury three-bedroom houses. The properties will have interior designs by Tara Bernerd's Target Living and will be marketed with an asking price of £800,000 each.

Flay said: "The recession created lucrative site acquisition opportunities in the Thames Gateway. We and our joint venture partners believe that, by optimising the sites now as the market turns, we will realise significant value as the residential and other elements of these projects come on stream in a rising market during 2012 and 2013, capitalising on the buoyancy of the 2012 Olympics."

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