



LLANBRYNMAIR FOREST

MALLWYD, POWYS, WALES

savills



LLANBRYNMAIR FOREST

Mallwyd 5 miles ▪ Welshpool 22 miles ▪ Birmingham Airport 98 miles

A RARE OPPORTUNITY TO PURCHASE ONE OF THE LARGEST PRIVATELY OWNED COMMERCIAL FORESTS IN WALES

A SIGNIFICANT TIMBER FOREST BENEFITING FROM AN EXCELLENT PRODUCTION FORECAST,
LOCATED IN A KEY TIMBER GROWING AREA, WITH WIND ENERGY DEVELOPMENT POTENTIAL

Exceptional scale

Highly productive commercial forest dominated by Sitka Spruce

Entering production phase with excellent long-term revenue forecast from timber sales

Access on to A458 and other public roads

Excellent internal network of roads and tracks

Fishing rights on Llyn Coch-hwyad (not owned)

SSSI and various biodiversity areas and potential for habitat restoration

Option Agreement for wind energy development with significant revenue potential (subject to planning)

About 2,162 hectares (5,342 acres) in total

For sale as a whole

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LOCATION

Llanbrynmair Forest is situated in the Montgomeryshire area of Powys in Wales. The principal access to the property is off the A458 which links Dolgellau and Machynlleth in the west with the Marches town of Welshpool some 22 miles to the east. The upland areas of Wales are one of the most important regions for commercial forestry in the United Kingdom and support a significant volume of forestry activity. The region is well known for its good growing conditions for commercial conifer species and for competitive timber prices. The area benefits from good transport links to a range of timber markets, which actively buy all grades of commercial timber and support a well developed base of harvesting companies and contractors.

The property is shown on the location plan included within these particulars. It can also be found on OS Sheet 1:50,000 Sheet 125 at Grid Reference SH 926136. The nearest postcode for the access 'A' is SY21 0PA.

ACCESS

The forest covers an extensive area and therefore benefits from numerous access points. The current owners have upgraded a number of tracks to service various recent timber operations and there is now a principal northern and southern access suitable for timber extraction, as well as a number of minor tracks, some capable of light timber traffic and others for management purposes only.

The northern access 'A' is off the A458 at grid reference SH926136. The southern access 'E' is off a minor public road at grid reference SH950045. Within the property there is a well developed network of forest roads and 4x4 tracks to all areas which are either wholly owned, or benefit from various rights to use and maintain them as described in the title deeds. The primary access points off the public road are shown on the sale plan. Tracks improved to timber haulage or good management standard are hatched black and tracks for general or light access, hatched brown. The A458 is extensively used by timber traffic and provides a direct east-west link.



The minor road at the south of the property is suitable for timber transport both east to the A458 and west to the A470 and timber dispatched from the southern part of the property has used this route. The north western part of the forest known as Moel Groes accesses separately (access H, grid reference SH893102) over a minor public road that runs between the A458 and Llanbrynmair village, over which timber transport can go south towards the A470 only. There is a link road suitable for 4x4 vehicles between Moel Groes and the main part of the forest.

DESCRIPTION

Made up of a number of individual plantations brought together into a single ownership, Llanbrynmair is one of the largest privately owned forests in Wales and provides a very rare opportunity to acquire a large scale commercial forest complex

that is effectively within a ring fence. The forest includes a significant core of Sitka Spruce mixed with other conifers, broadleaves and designed open ground.

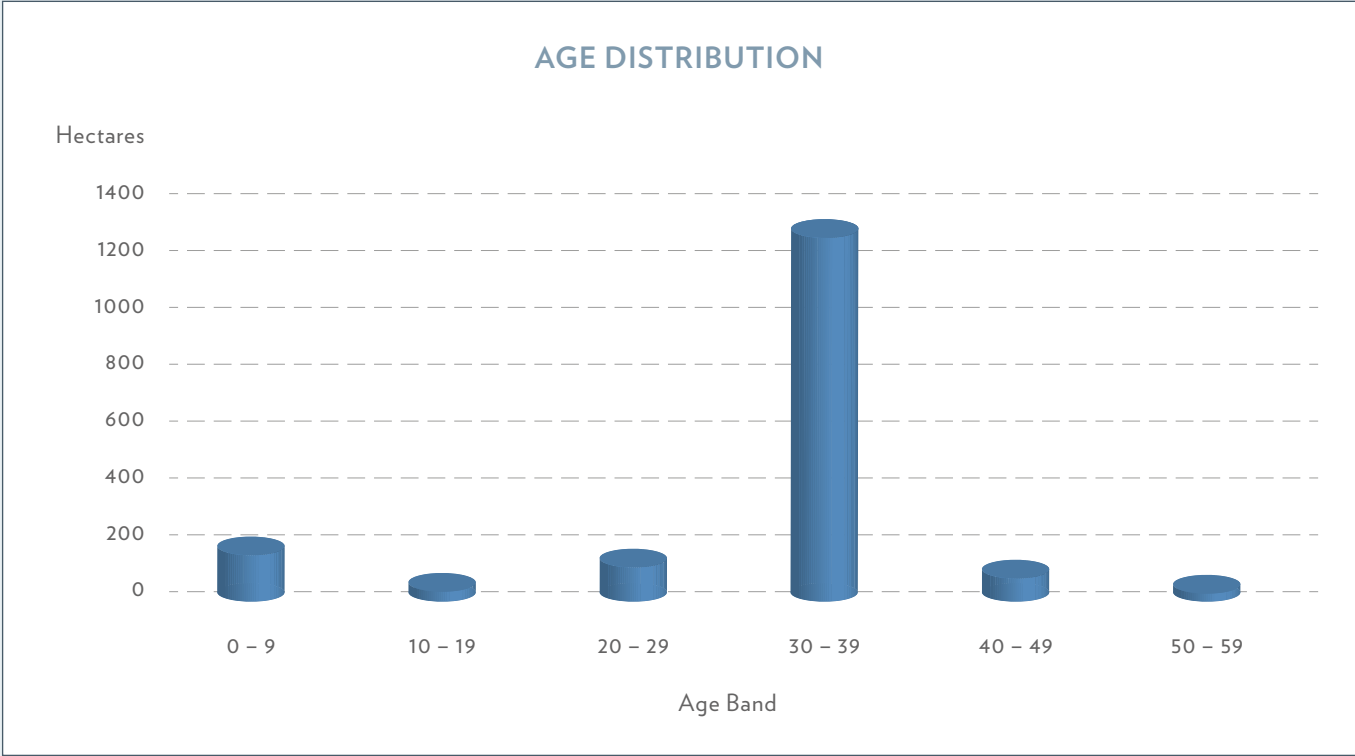
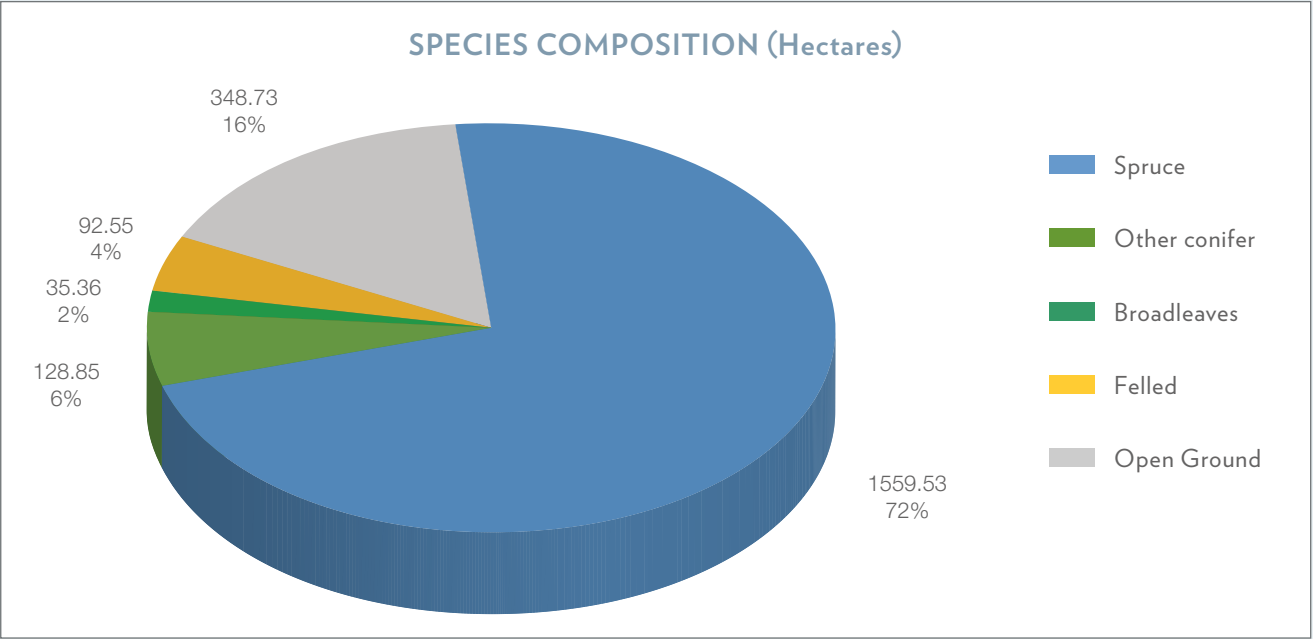
Title to about 2,162 hectares of the property is registered with freehold title at HM Land Registry. Title to a further area of approximately 3 hectares is dependent on a statutory declaration of user based on the vendor's ownership of 18 years, and relates to small areas of managed woodland outside the title boundaries. The management database area is therefore 2,165 hectares.

The planted area sits on a plateau area around the central hill, Carnedd Wen (523m) and runs into the valley of the Afon Banwy to the north and the Afon Gam to the south, with nearly 9 miles separating the north and south gates. The terrain is steep on the valley sides, flattening on the plateau, lying between 170m to 523m above sea level.

The forest was established over multiple phases with the first commercial planting taking place in 1960 and the most recent replanting in 2019. The primary commercial species is Sitka Spruce which accounts for 70% of the total area and is aged from 0 to 59 years old, with a weighted average age of 32 years. Age distribution is shown on the chart below.

Growth rates vary across the site determined by soil type, and are recorded at up to Yield Class 24. The weighted average Yield Class is 14m³/ha/pa for spruce and 1,000 hectares are recorded as YC14 or above. There are areas of slower growth timber on the plateau and there is likely to be scope to improve some of these plantations over the restructuring phase as the benefits of precision plant breeding allow increased growth rates. There are some areas of deeper unflushed peat that provide opportunity for habitat restoration.

A detailed compartment schedule is available on request from the selling agents. The species composition is as shown on the chart to the right.



There are two areas of timber felling currently ongoing under standing sales contracts and this timber is reserved out of the sale, with a contract end date of 31st May 2020. The purchaser will take on liability for restocking the felled areas which total 92 hectares. The two contract areas are shown cross hatched pink on the sale plan.

Forests in Wales are known to achieve good timber prices and the property is well located for timber markets. There is a range of regional timber milling and processing facilities lying within 100 miles at Chirk, Shrewsbury, Hereford and Newbridge, as well as a number of smaller local facilities.

One of the key investment attributes of this site is that timber harvesting only commenced within the last five years therefore the forest will have timber at production age regularly over the next 20 year period offering sustained income from tree felling. Broad estimates suggest the harvested volume of timber will be in excess of 550,000 tonnes over the remainder of the first rotation. The current standing sale in the Gwrachen area of the property is averaging 560 tonnes per hectare at an income of around £39,000 per hectare.

TIMBER HAULAGE

There is an excellent network of forest roads constructed to serve establishment and management operations, many of which have been upgraded to timber standards. Not all of the access routes to and from the property are suitable for timber haulage and recent operations have focused on three primary routes via accesses A, E and H. Stone for road construction and maintenance has been taken from a number of quarries located across the property. The title deeds include restrictions on the use of stone from quarries on particular areas of the property.

RENEWABLE ENERGY

The Llanbrynmair Moors are well suited to wind energy development with high average windspeeds and the scale to absorb a large number of wind turbines without detriment to the landscape. The average windspeed across much of the plateau is over 8 metres per second at 45m height above ground level, which offers significant generation potential. The moors lie outside the Snowdonia National Park and have limited conservation designations. There has been developer interest in the area since 2000, both on and adjacent to the property. The vendor entered into a fresh Option Agreement dated May 2019 with Carnedd Wen Wind Farm Ltd for the development of a windfarm across much of the plateau area. Details are available from the selling agent subject to completion of a Non Disclosure Agreement.

The current position is that the Carnedd Wen Wind Farm Ltd scheme is one of a number of nearby schemes pending determination by the Department for Business, Energy and Industrial Strategy with expectation that a decision will be taken later in 2019, but with no fixed timescale. The current development proposal is for 44 x 2.3MW turbines on the property but due to changes in turbine technology and subsidy regimes it is likely the windfarm design will be revisited in the event of a positive determination.

The wind development proposals include access rights benefiting third parties with appropriate access payments.

Habitat restoration is likely to be part of any future wind energy development, with current proposals seeing the reinstatement of areas of blanket peat bog once trees have been removed. Under conventional forestry management there is also scope for habitat restoration works where there is peat over 50 cm in depth.

The vendors will reserve an overage payment on wind energy development as detailed on page 11.





WOODLAND GRANTS

Recent timber operations were undertaken under various Felling Licences. Some restocking grant was claimed in 2019 under the Glastir scheme with a contract length of 10 years. The purchaser will be expected to take on responsibility for complying with all Felling Licences and grants, details of which are contained in the dataroom.

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TAXATION

Potential investors should be aware that, at present in the United Kingdom, all revenue from timber sales is Income and Corporation Tax free. There is no Capital Gains Tax on growing timber, although there may be a liability on the land. Under the current Inheritance Tax regime, 100% Business Property Relief should be available on commercially managed woodlands.





GENERAL REMARKS, INFORMATION & STIPULATIONS

Viewing

Viewing may be undertaken at any time during daylight hours so long as viewers are in possession of a set of these sale particulars. Gates will be left unlocked to facilitate access. For your own personal safety please be aware of potential hazards within the woodland when viewing. Timber harvesting and haulage operations are underway and viewers should pay attention to safety signage around the site and not approach harvesting machinery. Timber lorries are mainly accessing on a one way system in at access E and out at A, and viewers should give way to timber lorries. To assist with navigation marker boards numbered 1 to 9 have been erected at various locations around the property that are shown on the sale plan.

Dataroom

An online dataroom is available with full details of the property, title information, management records and information on renewable energy, etc. Login information can be obtained from the selling agents on request.

Entry & Possession

Entry by arrangement.

Offers

A closing date for offers may be fixed but the vendor reserves the right to sell without setting a formal closing date. Prospective purchasers are advised to register their interest in writing with the selling agents to ensure they are informed if a closing date for offers is set.

To comply with Anti-Money Laundering regulations any offer should be accompanied with certified proof of identity and address for

the offeror(s). Further details can be obtained from the selling agents or from HMRC.

The vendor is not bound to accept the highest or indeed any offer.

Rights and Reservations

1. The property is sold subject to and with the benefit of all existing rights whether public or private, including rights of way, drainage, water, electricity supplies and other rights, covenants, restrictions and obligations and wayleaves whether referred to or not. The purchaser(s) will be held to have satisfied themselves as to the nature of all such matters following their solicitors' examination of the title deeds.
2. The property is formed of multiple titles and there are a number of reserved access rights and restrictions over the property specific to and in favour of various titles, details of which are included in the title documents section of the dataroom.

Boundaries

The property has extensive boundaries with neighbouring properties which include both agricultural land and woodland. The title deeds deal with different stretches of the boundary discretely. From a practical point of view, the forest owner has tended to take responsibility for fencing over recent years.

Sporting Rights

Sporting rights are included in the sale in so far as they are owned. The sporting rights for the Moel Groes and Gwrachen sections of the property are subject to a reservation and are therefore not included in the sale.

The sporting rights are not currently exercised.

The property has a right granted by deed to fish two rods on Llyn Coch-hwyad (not owned) and to keep a boat on the lake, details of which are included in the title documents section of the dataroom.

Mineral Rights

The mineral rights across the majority of the property are reserved to prior owners of the land. There are various reserved rights to work and win stone for the construction and maintenance of roads and tracks on the property that are detailed in the title documents section of the dataroom. During the period of their ownership the vendors have improved the forest road infrastructure, with good timber roads to a number of key locations around the forest. Stone for these improvements has been quarried from a number of primary locations.

Timber

All standing and fallen timber is included in the sale, except timber included in the current contracts to Kronospan and Conway Forestry. The areas included in these contracts are cross hatched pink on the sale plan.

Environmental Designations

The property includes the Corsydd Llanbrynmair Site of Special Scientific Interest (SSSI) that extends over 34.85 hectares in three separate parcels. These sites relate to peatland habitats which are partially forestry and it is anticipated that the long-term plan for these areas is deforestation and peatland restoration.

There are no other registered statutory designations affecting the property.

Archaeology

There are no Scheduled Monuments on the property although a number of non-scheduled archaeological sites are recorded, mainly relating to cairns or evidence of historic agricultural activity.



Overage

The property will be subject to overage for a period of 15 years, reserving 30% of any subsequent rent, payment or generation income associated with renewable energy development for a period of 25 years from the date of triggering the overage. Overage will exclude any payments that relate to land sterilisation or timber compensation. The overage clause will extend to third party rights over the property in so far as they relate to access for renewable energy developments beyond the property. Further details can be obtained from the selling agent.

Method of Sale

The property is offered for sale by private treaty as a whole.

Contract & Deposit

A 10% deposit will be paid upon exchange of contracts to the vendor's solicitors acting as agents for the vendor. Completion is to be agreed. The balance of the purchase price will fall due for payment at the date of completion (whether entry is taken or not) with interest accruing thereon at the rate of 5% above Bank of England base rate.

Rights of Way

There are a number of public footpaths and bridleways across the property, details of which are in the dataroom. Glyndwr's Way, a National Trails route, crosses through the southern part of the property.

Disputes

Should any discrepancy arise as to the boundaries or any points arise on the Remarks, Stipulations or Plans or the interpretation of any of them, the question shall be referred to the arbitration of the selling agents whose decision acting as experts, shall be final.

Plans, Areas and Schedules

These are based on the Ordnance Survey and are for reference only. They have been carefully checked and computed by the selling agents and the purchaser shall be deemed to have satisfied himself as to the description of the property and any error or mis-statement shall not annul the sale nor entitle either



party to compensation in respect thereof. Please note that some of the perimeter fencing that encloses the property may be situated either side of the title boundary of the subjects of sale.

Overseas Purchasers

Any offer by a purchaser(s) who is resident outwith the United Kingdom must be accompanied by a guarantee from a bank which is acceptable to the vendor.

Lotting

It is intended to offer the property for sale as described, but the vendor reserves the right to divide the property into lots, or to withdraw the property, or to exclude any part shown in these particulars.

Generally

Should there be any discrepancy between these particulars, the General Remarks and Information, Stipulations and the Contract of Sale, the latter shall prevail. No warranty is given over the health of the trees on the property.

Heath & Safety

Given the potential hazards of a working forest, we would ask viewing parties to be vigilant at all times and obey safety signage. Timber harvesting and haulage operations are underway and viewers should pay particular attention in the vicinity of worksites and not approach working machinery.



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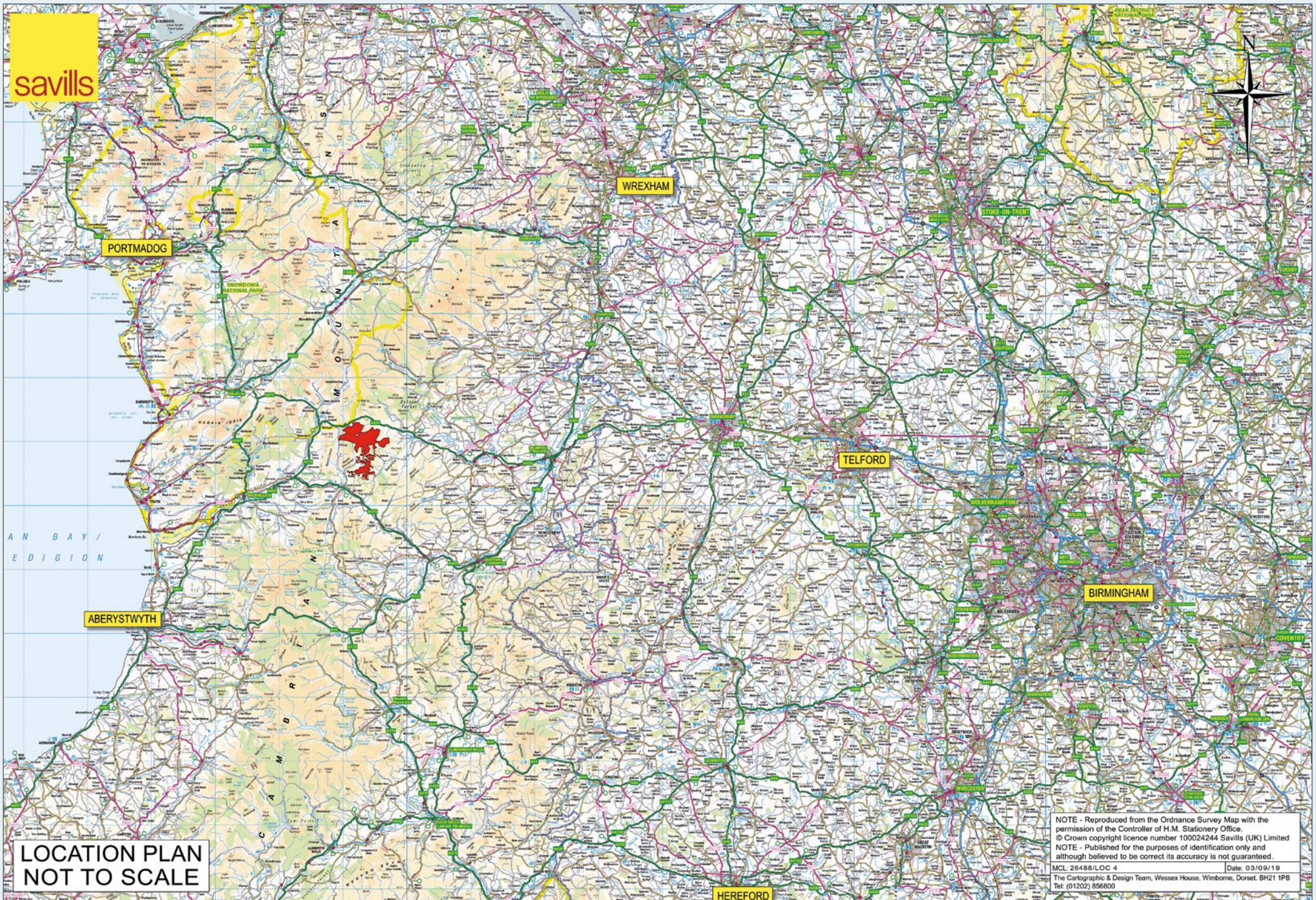
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LOCATION PLAN
NOT TO SCALE

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3. Particulars prepared September 2019



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MCL: 26488/LLANBRYNMAIR 7 Date: 28/08/19
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