



FOR IMMEDIATE RELEASE

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Santon digs deep and commits a further £3m as Anglo Irish stumble on The Highland Club development

Santon Highlands Limited have committed a further £3m to complete their 'labour of love' development, The Highland Club, on Loch Ness. The development funder, Anglo Irish Bank, with its massive funding problems, refused to extend the existing 'rolling' phased facility and the fate of the undeveloped phases of the Grade A listed building had become uncertain. Santon's commitment to completing the project remained of the utmost priority. Santon wanted to deliver what it had promised when it purchased the building in 2003 – a luxury residential development to be proud of. Highland Council, Historic Scotland, local residents of Fort Augustus, existing owners of completed apartments and future purchasers all had a great deal to lose from the impact of an incomplete development. Therefore at great risk, Santon agreed to commit a further £3m to continue the development in the knowledge that the UK was already in a deep recession.

Santon purchased the gothic property in 2003 and having gained full listed building consent in 2004 started phased construction later that year. The overall development comprises of 200,000 sq. ft. of 102 residential apartments, 12 cottages, a restaurant, swimming pool and tennis court. The project has suffered many obstacles not least procuring personnel, accommodation and materials given the isolated nature of site on the shores of Loch Ness. The administration of the main contractor, Orostream Ltd, in 2006 was a big blow to progress on site and subsequently required the setting up of Santon's in-house contracting arm, Santon Contracting Ltd. At the beginning of 2008 95% of the development was sold or pre-sold. However the collapse of Lehmans, later that year, and the subsequent UK wide recession has put huge pressure on the ability of exchanged purchasers to complete on properties and so assumed 'watertight' sales are now in doubt.

Bim Sandhu, Chief Executive of The Santon Group commented: *'Whilst these are very uncertain times in property development we felt it important to show that Santon is a company with integrity and would complete what it had started. Our commitment to all those involved was paramount despite the inherent risks of developing in a recession. Knowing that the funding is in place we will finally enable this beautiful and historic building to enter the fourth chapter of its story; from English Fort to Benedictine Abbey to Catholic Boys School and finally to The Highland Club'*

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