

OnTheMarket sale deal moves forward despite criticisms

Details of the deal agreed by the boards of CoStar UK and OnTheMarket last month have been published including a recommended 'all cash' offer for 110p per share.

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CoStar UK's acquisition of OnTheMarket moved a step closer yesterday after full details of the deal including the full terms and conditions were published.

A letter from Chris Bell, Chairman of OnTheMarket, offered an explanatory statement along with an expected timetable of principal events, notices convening the Court Meeting and the General Meeting and details of the actions to be taken by OnTheMarket Shareholders. The move comes despite one of the portal's co-founders **Trevor Abrahamsohn urging shareholders not to accept the deal.**

■ ALL CASH OFFER

The Boards of CoStar UK and the portal announced last month that they had agreed the terms of a recommended all cash offer that will see the \$33 billion New York-listed property giant take ownership of the home moving portal for 110p per share.

The deal was unanimously recommended by the OnTheMarket Board with Bell saying that the company had achieved its mission by building a market-leading property portal committed to agents.

The portal, which has been advised by Zeus, confirmed yesterday that it considered the terms of the acquisition, which has been effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006, to be fair and reasonable.

A spokesman for OnTheMarket tells **The Neg**: "The next stage is the court meeting for the vote which is happening on 4 December. The deadline for proxy is 30 November."

■ PLANS TO SPEND

CoStar UK says it plans to spend £46.5 million on sales and marketing in the first full year following the takeover, "as the first stage of a multi-year investment programme totalling hundreds of millions of pounds to drive more consumers to the OnTheMarket portal".

This is six times what OnTheMarket currently spends and more than three times the current annual media spend of Rightmove.

OnTheMarket, which floated on the London Stock Exchange's junior AIM market in 2017, has had mixed fortunes over the last six years and came under pressure in January as more agents left the platform.

CoStar bought Homes.com, a US online property platform, in 2021, and the purchase of OnTheMarket is being seen by analysts as a continuation of its strategy.