

2 VARCOE ROAD

BERMONDSEY, LONDON SE16 3DG



**HENSHALL
& PARTNERS**

REAL ESTATE ADVISORS

CBRE



CGI of proposed development

EXECUTIVE SUMMARY

- **Freehold development site** with planning permission pending for a new mixed-use scheme.
- Site measures 0.12 hectares (0.30 acres).
- Property is well located in the popular Bermondsey area, and is just **0.5 miles from South Bermondsey station** that provides direct trains into London Bridge in just 5 minutes.
- Planning permission will grant the demolition of the existing buildings and **erection of a new 9 storey building comprising of 74 residential apartments (37 x 1 beds / 34 x 2 beds / 3 x 3 beds). In addition, a new 288sqm (3,100sqft) GIA ground floor commercial unit (B1 Business).**
- The residential element of the scheme will comprise **50 private apartments, 7 shared ownership units and 17 units are allocated for social rent.** The total residential NSA will be 4,408sqm (47,448sqft).
- **Vacant possession will be provided by November 2019.**
- Our client is seeking a development partner for this exciting new scheme.

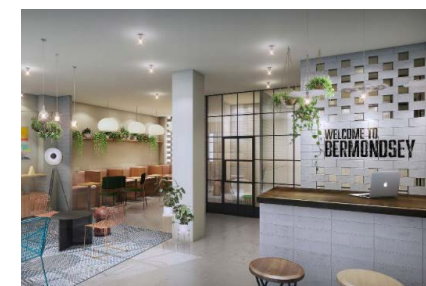


EXISTING SITE/AERIAL

The site is located on Varcoe Road, within the **London Borough of Southwark**. The site also falls within the **Old Kent Road Opportunity Area** where significant regeneration is coming forward.

The existing site currently comprises an **industrial yard** (Use Class **B8 – Storage & Distribution**) and associated 20th century industrial shed that covers most of the northern third of the site. The site which measures **0.12 hectares (0.30 acres)** also abuts Pocket Living's new scheme (currently under construction) for a new 6-8 storey development.





LOCATION

The site is located on the **western part of Varcoe Road**, connecting to Verney Road. The property is a short walk from Ilderton Road to the east (accessed via Verney Road), which adjoins Rotherhithe New Road (A2208) and the Old Kent Road (A2). **Varcoe Road is now largely a residential road**, with the majority of properties in the vicinity having C3 use. The neighbouring property to the north is being developed by Pocket Living, who are delivering 57 new build apartments.

Varcoe Road is located within the Old Kent Road Opportunity Area which has received a huge amount of press since it was named as a regeneration zone in 2014. **South Bermondsey station is located approximately 8-minutes' walk to the north** (0.5 miles) providing services into London Bridge in just 1 stop.

In addition, there is a proposal to **extend the Bakerloo Line along the Old Kent Road, which is due to open in 2029** if it comes forward. This will provide the site with even better access to the London transport network.

CGI of proposed facade



PLANNING SCHEME

The subject site is **pending a resolution to grant planning** from Southwark council under reference 18/AP/2895 for;

"...Demolition of existing buildings and erection of a new development comprising a 9 storey (maximum height above ground of 29.972m) building of 74 residential dwellings including 37 x 1 beds, 34 x 2 beds and 3 x 3 beds with associated bin stores, cycle stores, basement plant rooms and hard and soft landscaping. The scheme also provides 288sqm (3,100sqft) of commercial workspace (B1) at ground floor level..."

The scheme has been designed by Benedetti Architects. Planning will provide **4,408sqm (47,448sqft) of residential GIA** which is made up of **74 apartments**. The mix of these **74 units is 50 for private sale, 7 for shared ownership and 17 for social rent.**

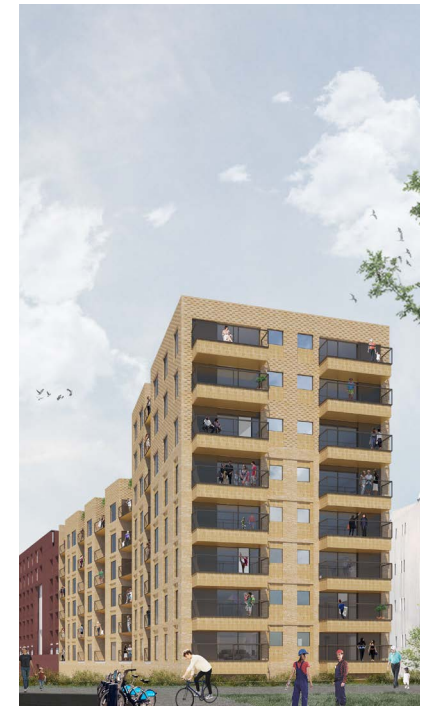
SECTION 106 & CIL

A S106 has been agreed in principle and includes the following obligations for the incoming purchaser:

- 35% affordable housing provision on the site (by habitable room) comprising 24 units;
 - 7 units are shared ownership tenure
 - 17 units are social rented tenure
- S106 costs are estimated at £237,524
- 10% of the commercial floor space is to be allocated for affordable workspace at a rate of £12psf over a 15-year period

CIL payment (estimate including Mayoral and Southwark)

- £1,086,460 (excluding indexation)



ACCOMMODATION SCHEDULE

FLOOR	UNIT TYPE			NSA									
	1B/2P	2B/3P	3B/4P	SQ M	SQ FT								
8TH	2	2	0	222	2,390								
7TH	2	2	0	222	2,390								
6TH	5	6	1	646	6,954								
5TH	6	4	1	662	7,126								
4TH	6	4	1	662	7,126								
3RD	5	6	1	661	7,115								
2ND	5	6	1	661	7,115								
1ST	6	4	1	655	7,054								
GROUND	-	-	-	288	3,100								

RESIDENTIAL TOTAL	37	34	3	4,408	47,448
COMMERCIAL TOTAL	-	-	-	288	3,100
TOTAL	-	-	-	4,696	50,551

PROPOSED BUILDING ELEVATION

RESIDENTIAL

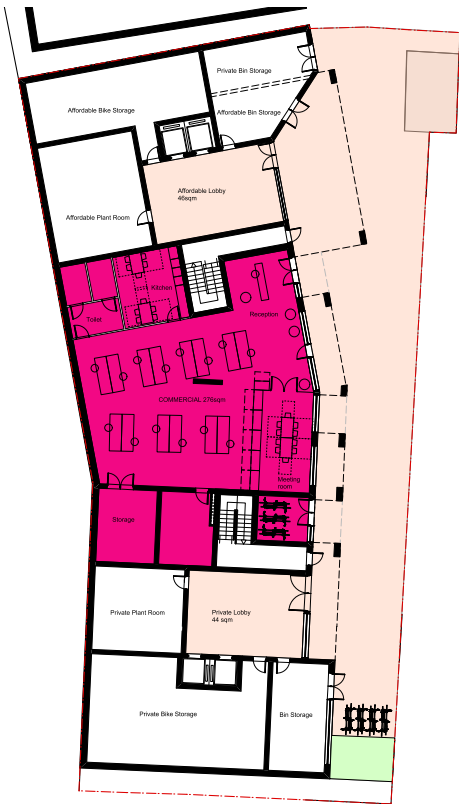
COMMERCIAL

PROPOSED FLOOR PLANS

GROUND FLOOR PLAN

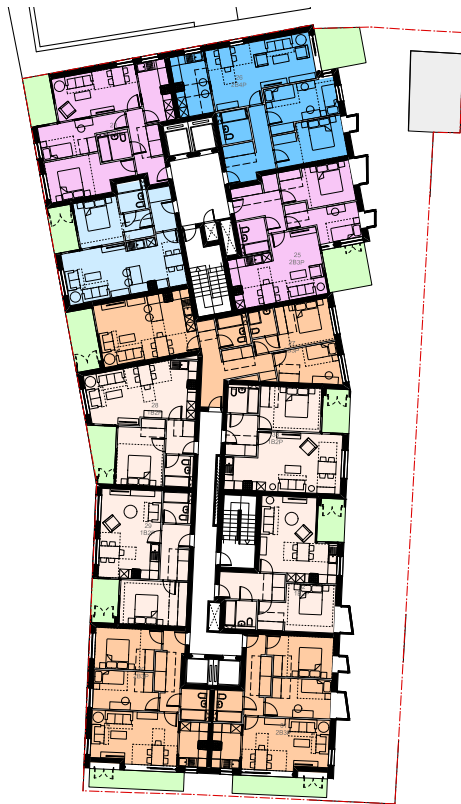
289sqm - 3,100sqft (GIA)

(Area quoted only for commercial accommodation)



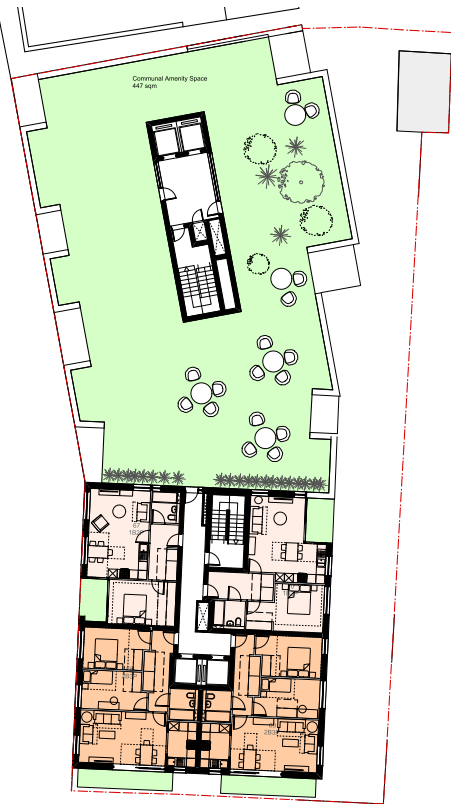
THIRD FLOOR PLAN

661sqm - 7,115sqft (NSA)



SEVENTH FLOOR PLAN

222sqm - 2,390sqft (NSA)



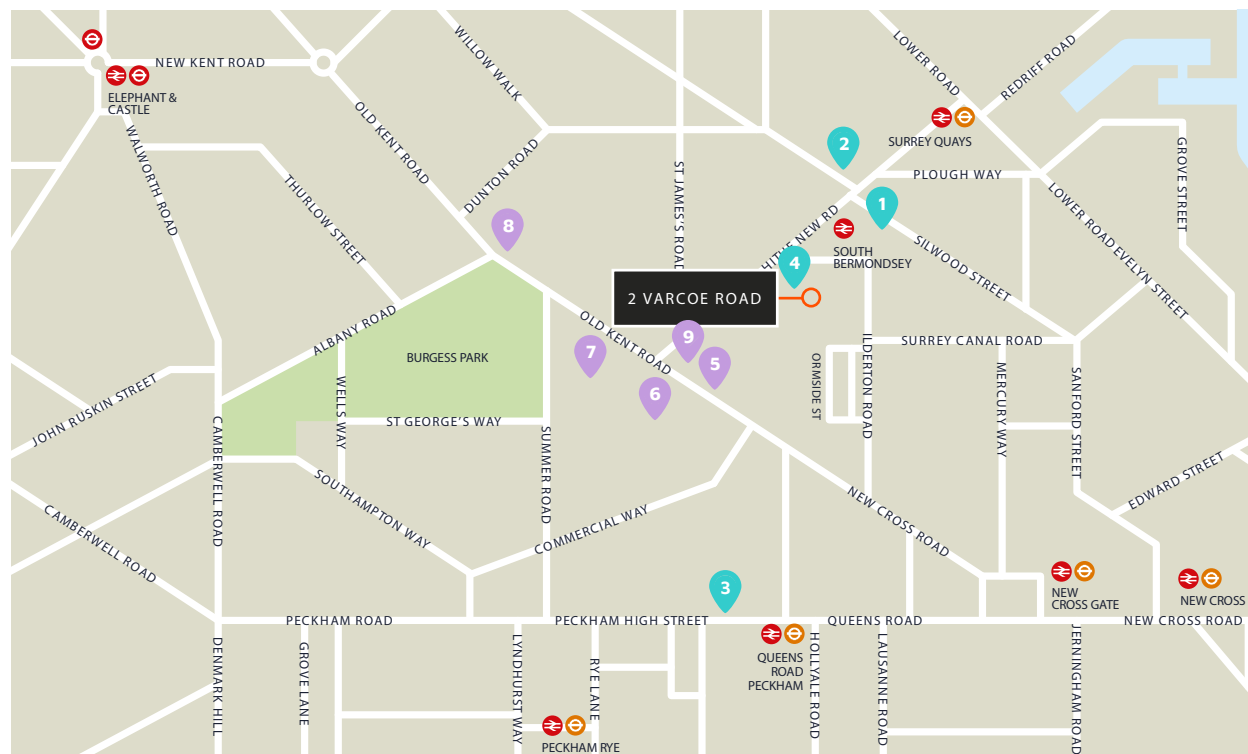
EXAMPLE FLOOR PLANS FOR SELECTED FLOORS ARE SHOWN ABOVE. A FULL SET OF PLANS ARE AVAILABLE TO DOWNLOAD FROM THE DATAROOM

MARKET COMMENTARY

The site is located on the southern fringe of the Bermondsey market. The Mayor and Southwark have looked to introduce the Old Kent Road Area Action Plan (OKR AAP) to transform the area. This will include **20,000 new homes**, supported by a proposed Bakerloo Line from Elephant and Castle to Lewisham. **Bermondsey has seen house prices climb by 114% since 2006.** This has been as a result of its central location (just 25 minutes' walk to the City). Please find link below to Southwark's dedicated website to the Old Kent Road and its proposed transformation;

<https://oldkentroad.org.uk>

From reviewing Government statistics for the borough of Southwark, official estimates suggest **3,089 new dwellings are needed every year until 2026** in order to meet demand. Where only **2,412 dwellings were delivered during 2016/17**. Our research of comparable schemes close by, along with the future development pipeline for the area, below we have collated some recent completed schemes and prices achieved to demonstrate typical new build sales values.

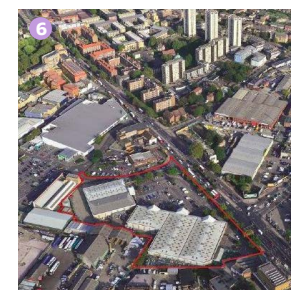
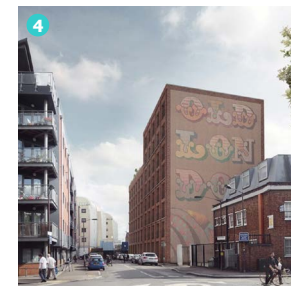


COMPARABLE SCHEMES SOLD

- 1 Bermondsey Works SE16**
Bermondsey Works by Telford Homes comprises 18 storeys, and delivered 148 apartments. Completion – July 2016. Average asking prices were £619psf.
- 2 Cape Apartments SE16**
Boutique development of 9 apartments constructed by IPE Developments. Apartments were completed in 2017. Average sales were £700psf.
- 3 Q, Queens Road SE15**
Development by Higgins Homes, delivering 47 apartments. Site was completed in 2016. Average asking prices were approximately £750psf.
- 4 Varcoe Road – Pocket Living, SE16**
Development being carried out by Pocket Living, delivering 57 apartments. The scheme is planned for completion by Q4 2019. Sales are currently averaging £700-£730psf.

DEVELOPMENT PIPELINE

- 5 Ruby Triangle, SE15**
Avanton & A2 Dominion have planning permission to redevelop their site to provide 1,152 new homes and 100,000sqft of commercial.
- 6 Cantium Retail Park, Old Kent Road SE16**
Galliard and Aviva (in a JV) have secured resolution to grant planning to redevelop this 4.69 acre site into over 1,000 new homes.
- 7 Malt Street, Old Kent Road SE16**
Berkeley Homes have comprehensive plans under Southwark's consideration to redevelop a five-acre former meat factory site.
- 8 Southernwood Retail Park, Old Kent Road, SE1**
DTZ Investors are managing the redevelopment of the site, and are proposing 724 homes, 250 bed hotel and associated retail.
- 9 6-12 Verney Road SE16**
Argon Capital have secured resolution to grant planning for a redevelopment into 338 residential units plus new commercial space.



TENURE

The property is held **freehold** under title number **TGL267381**

PROPOSAL

You are invited to submit proposals to become our client's development partner for this exciting new scheme. Vacant possession will be provided in November 2019.

We understand that the property has **not been** elected for VAT

FURTHER INFORMATION / VIEWINGS

Please contact Chris Henshall at **Henshall & Partners** or Henry Chapman or Tom Moore at **CBRE** who are appointed as joint selling agents for further information. Additionally, if you would like to arrange an internal inspection of the site.

Please click here for a link to the data room:

<https://cbre.box.com/s/m418yxrf8ju6sip2f1pyvrgdjfd05np3>

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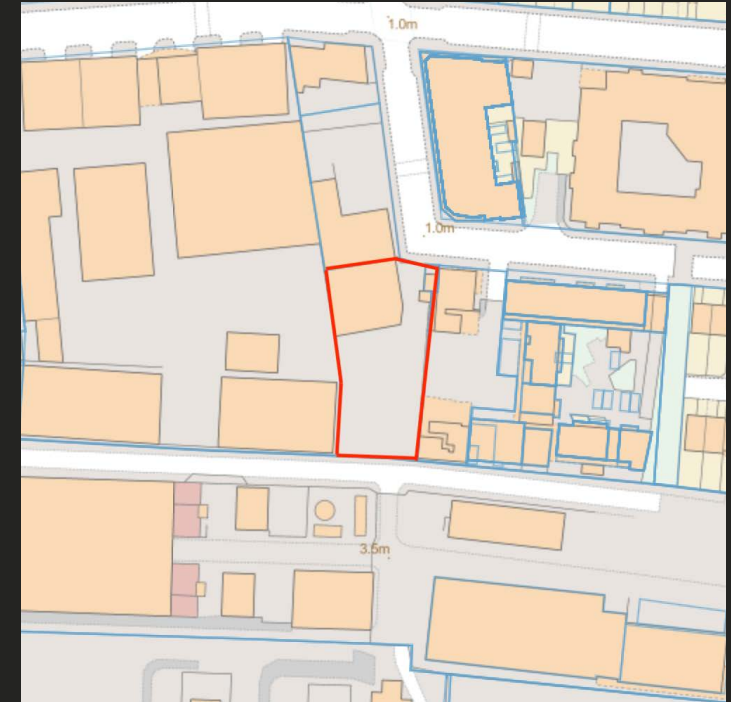


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OS PLAN



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