



LEATHAMS, 227-255 ILBERTON ROAD

South Bermondsey, London SE15 1NS

Landmark Consented Mixed Use Development
Opportunity

savills

View of consented scheme from Sharratt Street (Source: Maccleanor Lavington)

OPPORTUNITY SUMMARY

- Landmark mixed use development opportunity in South Bermondsey within London Borough of Southwark.
- 0.39 hectare (0.96) acre site.
- Existing site comprises an industrial warehouse building with two loading yards extending to approximately 3,403 (sqm) 36,630 sq ft GIA occupied by Leathams Food Distribution business.
- Located 800 metres (0.5 miles) south of South Bermondsey Overground station, providing regular services to London Bridge (5 minutes), and the wider Underground Network (Northern Line and Jubilee line).
- New Bermondsey Overground station scheduled for completion in 2025 located 400 metres to the east of site.
 - Detailed planning permission secured for a mixed use development comprising: 2,538 sqm (27,318 sq ft) GIA of industrial floor space (Use Classes B1c / E / B8)
 - 253 residential units across two buildings: 177 Private, 18 Shared Ownership & 58 Social Rent tenure.
 - Planning reference 19/AP/1773.
- For sale freehold.
- The sale will be conditional upon vacant possession anticipated for Q4 2021.

DESCRIPTION

The site is broadly rectangular in shape and extends to approximately 0.39 hectares (0.96) acres. It is currently occupied by a three storey industrial warehouse (use class B1 and B8) and used as an industrial food storage and distribution centre (B8) with ancillary office space (B1). The internal area extends to approximately 2,529 sqm (27,222 sq ft) GIA and the two external loading yards extend to approximately 874 sqm (9,408 sq ft).

The table below sets out the existing area schedule:

EXISTING INDUSTRIAL SPACE	GIA (SQM)	GIA (SQ FT)
Storage (B8)	2,005	21,582
Ancillary Offices (B1)	523	5,630
Total Workspace	2,529	27,222
Covered loading yard	730	7,858
External Plant	144	1,550
Total Site Area	3,403	36,630

Source: Design & Access Statement Maccreanor Lavington



CGI of internal courtyard at podium level (Source: Maccreanor Lavington)

PROPOSED INFRASTRUCTURE IMPROVEMENT

New Bermondsey Overground Station

- London Overground (orange line) connecting into the wider underground network at Canada Water and Crossrail at Whitechapel
- GLA secured £80m of HIF funding in August 2019
- Upgrade to existing line with completion scheduled for January 2025
- New station is approximately 400 metres (0.3 miles) east of the site

Bakerloo Line Extension

- Connecting the Old Kent Road to Waterloo and Lewisham
- £3.5 billion project
- Expected completion in 2035
- Proposed station location is approximately 850 metres (0.5 miles) south west of the site



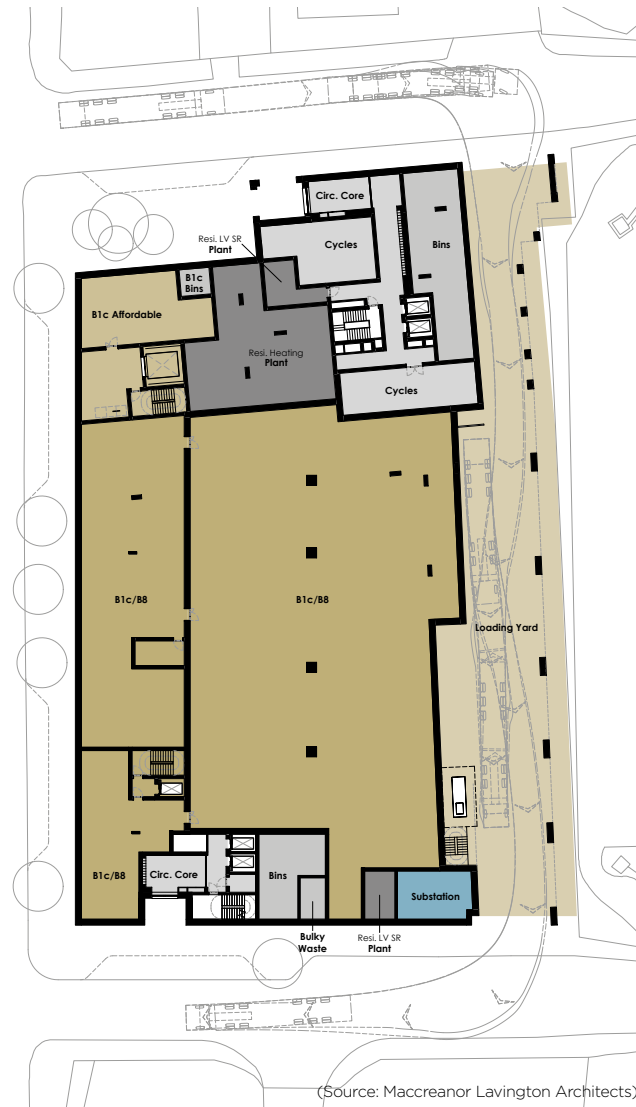
PLANNING

The property falls within the jurisdiction of the London Borough of Southwark. It is currently designated as Strategic Industrial Land ("SIL") albeit Southwark's emerging Area Action Plan for the Old Kent Road seeks to transform the area into a high-density mixed-use location on the back of proposals for the Bakerloo Line Extension. It is not within a Conservation Area and is not statutorily or locally listed.

Detailed planning permission was secured with London Borough of Southwark at committee on 15th June 2020 under reference 19/AP/1773 for the following mixed-use development:

"Demolition of existing buildings and the erection of a part 2/3, 9 and 28 storey (up to 94.65m AOD) mixed-use development comprising 2,538 sqm of industrial floorspace (Use Classes B1c/B8) at ground and intermediate levels and an internal loading yard; and 253 residential apartments (C3); and other associated infrastructure."

Co-Location consented ground floor plan layout



THE PROPOSED DEVELOPMENT

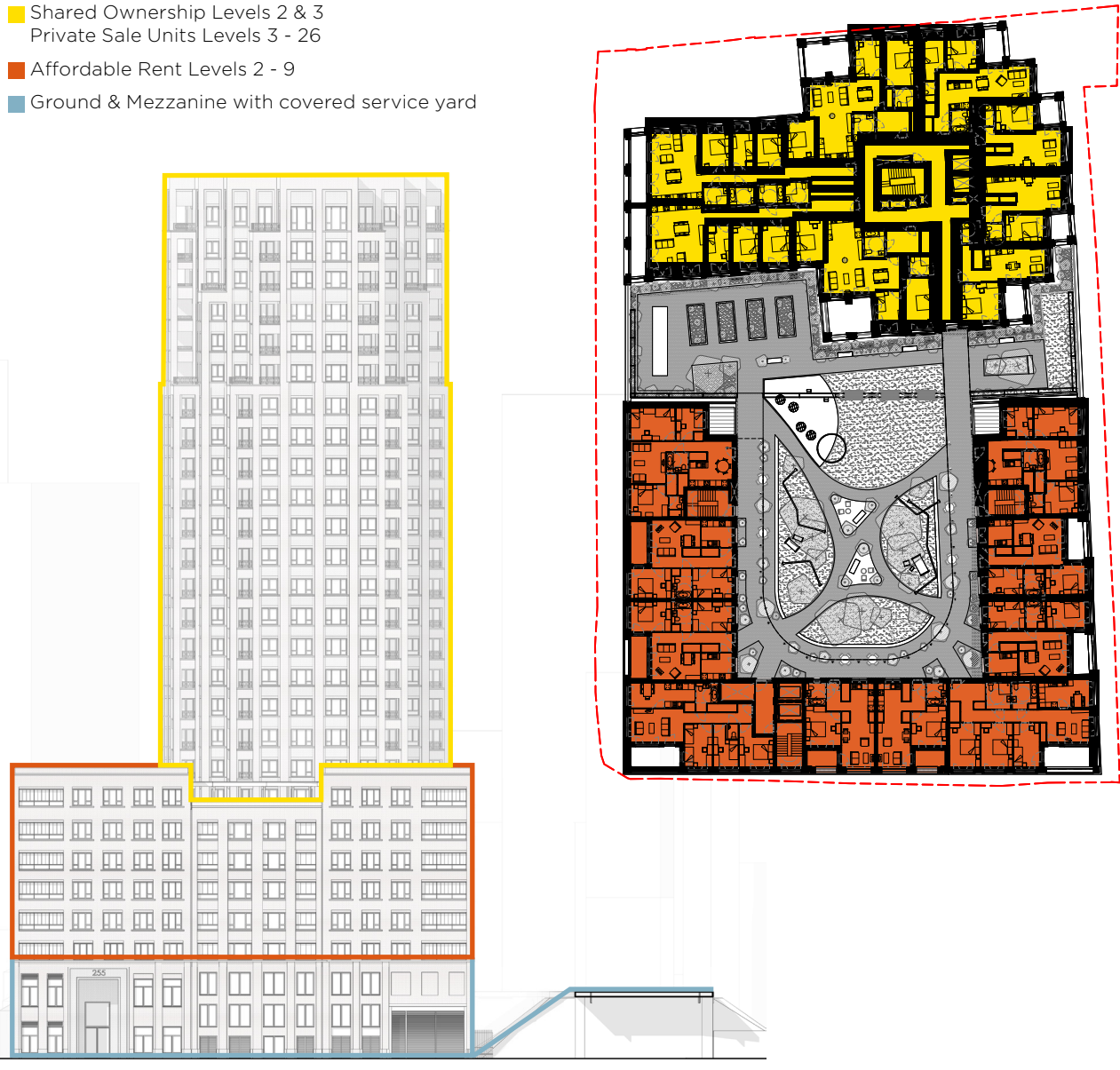
The consented scheme is one of London Borough of Southwark's first purpose-built co-location uses comprising both residential and industrial uses located alongside each other in an area undergoing significant regeneration.

The proposed scheme incorporates the following key elements:

- 253 residential apartments, of which there are:
 - 177 private units (within a 28 storey tower from ground)
 - 18 intermediate units
 - 58 social rent units
- Residential amenity space including a courtyard, play terrace, ecology terrace and community room
- 471 cycle parking spaces in total, of which there are:
 - 452 long-stay spaces and 6 short-stay spaces for the residential units
 - 10 long-stay and 3 short-stay spaces for the commercial units
- Industrial floor space (Use Classes B1c/B8), of which there is:
 - Industrial space (B1c/B8)
 - Affordable workspace
 - Internal covered loading yard
 - Plant

- Shared Ownership Levels 2 & 3
Private Sale Units Levels 3 - 26
- Affordable Rent Levels 2 - 9
- Ground & Mezzanine with covered service yard

Level 27	92250.00
Level 26	88500.00
Level 25	85350.00
Level 24	82200.00
Level 23	78750.00
Level 22	75600.00
Level 21	72450.00
Level 20	69000.00
Level 19	65850.00
Level 18	62700.00
Level 17	59550.00
Level 16	56400.00
Level 15	53250.00
Level 14	50100.00
Level 13	46950.00
Level 12	43800.00
Level 11	40650.00
Level 10	37500.00
Level 09	34350.00
Level 08	31200.00
Level 07	28050.00
Level 06	24600.00
Level 05	21450.00
Level 04	18300.00
Level 03	15150.00
Level 02	12000.00
Level 01 Mezz.	8850.00
Level 00 Mezz.	5550.00
Level 00	2250.00



ACCOMMODATION SCHEDULE

A schedule of the proposed accommodation by tenure is set out below:

TENURE	UNITS	NSA (SQM)	NSA (SQ FT)	GIA (SQM)	GIA (SQ FT)
Private	177	11,734	126,304	-	-
Shared Ownership	18	1,423	15,318	-	-
Social Rent	58	4,466	48,074	-	-
Residential Total	253	17,623	189,696	23,459	252,505
Main Industrial Space (B1c/B8)	-	-	-	2,184	23,508
Affordable Workspace	-	-	-	354	3,810
Internal Loading Yard	-	-	-	598	6,437
Plant	-	-	-	445	4,790
Covered Loading Yard Total	-	-	-	3,581	38,544
Total	-	-	-	27,039	291,049

Source: Maccreeanor Lavington Architects

SECTION 106

The s106 has been agreed with the total indicative amount payable estimated at £1,568,384 to contribute to the following elements fo the scheme:

- 35% affordable housing by habitable room (split 70% social rent and 30% intermediate) and associated monitoring fund;
- 10% affordable workspace and associated management plan;
- 10% wheelchair housing provision;
- Contribution towards carbon off-setting;
- Futureproofing for connection to District CHP;
- Public realm and highway improvements (via section 278 agreement);
- Parking permit restrictions;
- Contribution towards TfL bus services;
- 3-year membership to car club scheme for new residents;
- Delivery and service plan bond;
- Construction skills and employment plan;
- Contribution towards off-site public open space;
- Contribution towards off-site older children's (12+ years) play space.



CIL

The proposed development will be subject for CIL contributions chargeable at the following rates:

- London Mayoral MCIL2 - £60 per sq m
- LB Southwark C3 Residential CIL - £218 per sq m

These rates will be subject to inflation using the national All-In Tender Price Index of construction costs published by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors.

For the purposes of calculating the chargeable floor area, the gross demolished floor space extends to 2972.4 sq m (31,994 sq ft). Affordable housing relief may also be applied for, post-permission and pre-commencement of construction.

Source: HGH Planning & Consulting

B1C / E / B8 OCCUPIER MARKET

There is strong occupier demand from a wide range of industrial and logistics operators for purpose built industrial space in south east London. The recent acceleration of online purchases in the past 12 months has highlighted the essential nature of delivery services and the resilience of the distribution sector. The rapid, ongoing growth of e-commerce and the desire for same day delivery from the growing local population, as well as the requirement for operators to be as close as possible to their markets is driving increased demand from high quality commercial tenants.

On the supply side, the local area has seen a significant loss of industrial space to residential redevelopment over the previous years with local industrial occupiers facing continuing disruption. The shortage of good quality, purpose-built secure space combined with the growth in demand has driven a significant increase in achievable rents. Savills have been engaged in the design evolution of this space during the planning process: parties are encouraged to discuss this further with Bridget Outtrim in the industrial team details overleaf.

METHOD OF SALE

The site will be sold by way of informal tender (unless sold prior). Further details of the sale process will be provided in due course.

VAT

We understand that the property is elected for VAT.



CGI of consented scheme internal residential courtyard



TITLE AND TENURE

For sale Freehold and subject to vacant possession anticipated for Q4 2021. The vendor is flexible and can work with the incoming purchaser to secure vacant possession in line with their timeframe.

The vendor has a lease agreement in place for 257-258 Ilderton Road and 12 & 12A Sharratt Street to the south. This is a secure warehouse with office and storage yard used for vehicle storage purposes for the current facility. The lease in place is £15.50 / ft equating to £165,478 per annum with expiry on 13/09/2023. The vendor could assign the lease for a purchaser to utilise the space as a construction compound during development of the site.

VIEWINGS

The site is visible from a public highway for parties to view the building externally.



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EPC

The existing unit has an EPC Rating of B. The full EPC report is available in the dataroom.

FURTHER INFORMATION

Further information including technical and legal documentation is available at:

<https://sites.savills.com/leathams/>

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