



44 KIPLING STREET | LONDON BRIDGE SE1 3RU

## CENTRAL LONDON PUB WITH RESIDENTIAL DEVELOPMENT CONSENT IN LONDON BRIDGE





# EXECUTIVE SUMMARY



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Freehold mixed-use development with planning consent in a prime area of southwark.

The existing building comprises an A4 public house on ground and basement levels extending to 2,150 sq ft NIA and one residential apartment (1 \* 4 bed) on the first floor (1,413 sq ft NSA) , totalling 3,564 sq ft GIA.

Multi-let to two tenants producing a total rent of £38,200 p.A.X with vacant possession achievable by November 2022.

Planning permission was granted in October 2021 for the construction of second and third-floor rear and roof extensions and conversion of the ground and first floor whilst extending the area of the public house.

The extension of the ground and basement levels for the A4 public house will comprise 1,722 sq ft GIA. The construction of the second and third-floor rear and roof extensions will comprise six flats (1 \* 1 bed apartment, 5 \* 2 bed) and extends to 4,432 sq ft NSA. The total consented scheme provides a total floor area of 6,154 sq ft.

Potential to add further development options subject to the usual consents which may be further improved should the vendor successfully take possession of the adjoining land.

## PROPOSAL

We are instructed to seek offers in excess of **£2,150,000**, subject to contract & exclusive of VAT. This reflects a capital value of **£603 psf** overall on the existing and **£350 psf** overall on the consented scheme.



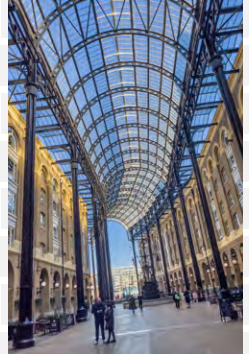
# SOUTHWARK LOCATION

Southwark has become one of the most dynamic areas in London, well known for being a cultural hub whilst also having a thriving commercial market. It is celebrated for its great variety of international attractions such as the London Eye, Borough Market, Shakespeare's Globe and the most visited attraction in London, the Tate Modern.

The location has undergone significant regeneration over the last decade through considerable developments such as South Bank Central and more recently Borough Yards. The location has become one of the most competitive areas in the London office, retail and residential markets. Future developments look to drive the borough even further, such as the Elephant and Castle town centre regeneration.



KIPLING STREET  
IS LOCATED IN  
SOUTHWARK, ONE  
OF LONDON'S  
MOST DIVERSE  
AND VIBRANT  
DISTRICTS.



The property is less than 0.5km by foot from London Bridge station providing access to National Rail, Thameslink and the tube network (Jubilee and Northern Lines)







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# SOUTHWARK LONDON

Kipling Street's proximity to London Bridge and Borough Underground stations offers unrivalled communication links to Canary Wharf, West End and the City. London Bridge Station is one of the busiest transport hub's in Europe with approximately 50 million passengers a year. The Underground operates the Jubilee and Northern Lines, also the station provides pedestrian access to the City of London.

London City Airport is only 7 miles away and is easily accessible via the Jubilee line, as well as Gatwick Airport being directly accessible via London Bridge Station services.

The area is also being served by many different bus routes, giving Kipling Street excellent connectivity to the rest of the City and key commuter suburbs.

The Thames Clipper transports approximately 10,000 passengers daily, with 23 stop from Putney to Woolwich.





# KIPLING STREET SITUATION



**THE SUBJECT PROPERTY IS SITUATED ALONG THE EASTERN SIDE OF KIPLING STREET, JUST SOUTH FROM ITS JUNCTION WITH SNOWFIELDS AND OPPOSITE PORLOCK STREET.**

The property is situated on Kipling Street offering an abundance of amenities in the area, with Bermondsey Street, Borough High Street and Borough Market all in close proximity. It is one of London's most sought after locations.

There is a variety of greenspace in the area, the closest being Guy Street Park at less than 100 metres away.

## RESTAURANTS

- 1 Bar Douro
- 2 Casa Do Frango
- 3 Padella
- 4 Arabica
- 5 Borough Market Kitchen
- 6 Casse-Coute
- 7 Maltby Street Market
- 8 Bermondse Larder
- 9 Pizarro
- 10 Flour and Grape
- 11 Belushi's

## BARS AND PUBS

- 1 Anchor Bankside
- 2 The Rake
- 3 Mug House
- 4 Flat Iron Square
- 5 Guy's Bar
- 6 The Telephone Exchange
- 7 The Alexander Hay
- 8 El Vino London Bridge
- 9 The Woolpack
- 10 The Old School Yard
- 11 Nine Lives
- 12 The Brigade Bar

## HOTELS

- 1 The Hoxton Hotel
- 2 Novotel London Bridge
- 3 London Bridge Hotel
- 4 Shangri-La
- 5 Hilton London Bridge Tower
- 6 Bermondsey Square Hotel
- 7 Native Bankside Hotel
- 8 Apex City of London Hotel

## OFFICE BUILDINGS AND OCCUPIERS

- 1 More London Offices: PWC, Ernst & Young, EY Global, HG Capital
- 2 Shard Offices: Kraft Heinz, Sage Group, Robert Half
- 3 61 Southwark Street: CBRE, EMEA Head Office
- 4 The News Building: UK Head Office of News UK

## DEVELOPMENTS

- 1 Edge Development
- 2 Liberty of Southwark Development
- 3 Newham's Yard Residential Development



PROPERTY  
DESCRIPTION



**DETACHED A4  
PUBLIC HOUSE  
WITH FOUR BED  
FLAT ABOVE**



**The property is a detached building which comprises an A4 public house at ground floor and basement levels. On the first floor above is a large four-bedroom self-contained flat.**

This site is bordered by four and five storey residential buildings to the north.

We have not undertaken a measured survey of the property but relied upon the measured floor areas provided by the Vendor as shown below:

|              | Sq M GIA      | Sq Ft GIA    |
|--------------|---------------|--------------|
| Basement     | 55.22         | 594          |
| Ground       | 144.64        | 1,556        |
| 1st floor    | 131.29        | 1,413        |
| <b>Total</b> | <b>331.15</b> | <b>3,564</b> |



# TENURE & TENANCIES



## TENURE

The subject property is held freehold. It occupies a site of 0.04 acres.



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The plot of land immediately to the north is unregistered and totals approximately 75 sq m. An application has been made to the Land Registry claiming adverse possession of this land. Should this application be successful this land may be sold by separate negotiation in due course.

Further details available upon request.

## TENANCIES

The ground floor and basement of 44 Kipling Street is let to Smok'd - Britannia Limited on a one-year lease expiring on 2nd November 2022 at a passing rent of £19,000 p.a.x, equating to a low rent of £8.84 psf overall. There is a mutual rolling break clause with four months' notice required. The lease is outside the 1954 act.

The four-bed residential unit on the first floor is let to two tenants on an assured short-hold tenancy at a rent of £19,200 p.a.x. The agreement may be terminated by the Landlord or Tenant serving two months' notice.

The total rent is £38,200 p.a.x.



# DEVELOPMENT DESCRIPTION



Planning consent was granted by the London Borough of Southwark on 13th October 2021 (21-AP-2222) for the construction of second and third floor-roof extensions and conversion of the ground and first-floor whilst extending the area of the public house.

This will create six residential units consisting of a large duplex one bedroom flat and five two-bedroom flats with terrace access. In total this will achieve a residential Net Sales Area of 4,432 sq ft and a commercial unit of 1,722 sq ft GIA.

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**PLANNING CONSENT GRANTED FOR SIX RESIDENTIAL UNITS  
WITH COMMERCIAL USE ON GROUND AND BASEMENT.**





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The proposed scheme will benefit from the following areas:

| Residential                            | Sq M          | Sq Ft        |
|--|---------------|--------------|
| Mezzanine and basement studio          | 78            | 839          |
| 1st floor 2 beds                       | 130.50        | 1,404        |
| 2nd floor 2 beds                       | 130.50        | 1,404        |
| 3rd floor penthouse                    | 73            | 785          |
| <b>Residential Sub-total (NSA)</b>     | <b>412.00</b> | <b>4,432</b> |
| Terrace Space                          | 55.92         | 602          |
| Commercial                             | Sq M          | Sq ft        |
| Ground                                 | 73            | 786          |
| Basement                               | 87            | 936          |
| <b>Commercial Sub-total</b>            | <b>160</b>    | <b>1,722</b> |
| <b>Total (excluding terrace space)</b> | <b>572</b>    | <b>6,154</b> |
| <b>Total (including terrace space)</b> | <b>627.92</b> | <b>6,756</b> |

- Re-gear current leases to occupiers which are off very low rents agreed during Covid.
- Look to further increase massing of the scheme as seen at 85 Weston Street which is approximately 0.1 km from the subject property (subject to usual consents).
- Should the vendor be successful with the application for adverse possession, seek to alter planning consent with the benefit of this land (subject to necessary consents).



85 Weston Street comprise eight-duplex apartments, completed in 2018, and has recently had a 2-bedroom apartment estimated to have a market value of approximately £2,013,000 at £1,160 psf.



# LOCAL RESIDENTIAL MARKET

**SOUTHWARK HAS CONTINUED TO BE ONE OF THE MOST DESIRABLE NEIGHBOURHOODS IN LONDON AND THIS HAS BEEN DEMONSTRATED BY THE SIGNIFICANT GROWTH AND VALUES THERE OVER THE LAST DECADE.**

More recently London Bridge’s local residential market has shown to be resilient against recent downturns and residential developments such as Newham’s Yard are looking to be completed later this year with flats being pre-sold for a capital value of upwards of £1,100 psf. Berkeley Homes are showing confidence in the area with the proposed Bermondsey Place scheme.

Below are some comparable current two bed flats from the SE1 London Bridge area, showing current achievable prices for refurbished or new build flats.

Five key two bed comparables (Rightmove):

| Address (SE1)                          | Date of Sale | Area (sq ft) | Price      | Price per sq ft | Comments   |
|--|--------------|--------------|------------|-----------------|--|
| 36 Snowsfields                         | -            | 915          | £1,160,000 | £1,267.76       | New build, in the centre of Snowsfields, private balcony                 |
| 35 Long Lane, Borough                  | 17/11/2021   | 788          | £860,000   | £1,091.37       | Large private terrace<br>2005 build                                      |
| 70 Weston Street                       | 13/07/2021   | 1146         | £1,200,000 | £1,047.12       | 2019 Build   |
| Pilgrimage Street, Borough             | 22/06/2021   | 1041         | £1,038,000 | £997.12         | Penthouse suite, High standard refurbishment, further from London Bridge |
| Brandon House, 180 Borough High Street | 25/01/2021   | 956          | £1,075,000 | £1,124.47       | Private balconies, new development, 6th floor                            |





# LOCAL COMMERCIAL MARKET

The connectivity Southwark provides has driven the area to become a commercial hotspot, attracting a mix of occupiers from different sectors including tech, media, serviced offices and banking. It has become a HQ location for many corporations, including the News Building, which is the head office for News UK.

This strong occupational demand for the Southwark area has lead it to become one of the fastest growing sub-markets. Future developments such as EDGE Development (completion 2025) will only encourage the growth of the commercial space.

A selection of local occupiers include: Omnicom, Ofcom, Financial Times, BLP Law, PWS, RBS, Ernst and Young, ITV, IPC Media, Zoopla.

Southwark also has a well-established retail sector with the likes of Hay’s Galleria, Borough Market, Borough Yards and especially Borough Market reflecting London’s global city status and Southwark reputation as a cultural hub.

Commercial comparables:

| Lease Comparable                 | Use        | Floor | Start Date | End Date   | SF      | Rent/SF  | Build/Rnv  |
|----------------------------------|------------|-------|------------|------------|---------|----------|------------|
| Hatcher Mews                     | Office     | GRND  | 31-Dec-20  | 30-Dec-35  | 604     | £57.53   | Built 2002 |
| Maltings Place                   | Office     | GRND  | 01-Apr-20  | 31-Mar-21  | 482     | £42.53   | Rnv 2000   |
| 60 Bermondsey St                 | Office     | GRND  | 28-Jul-18  | 27-Jul-19  | 850     | £58.00   | Built 2005 |
| 92 Bermondsey St                 | Retail     | GRND  | 11-Mar-20  | -          | 941     | £37.19   | 1980       |
| 142 Bermondsey St                | Retail     | GRND  | 04-Aug-20  | 03-Aug-30  | 575     | £51.60   | -          |
| Sale Comparable                  | Use        | Floor | Sale Date  | Sale Price | Unit SF | Price/SF |            |
| 197 Long Lane, Ground            | Office     | GRND  | 24-Jun-21  | £4.1m      | 4,575   | £896.17  | -          |
| 20-22E Leather market St, Ground | Office     | GRND  | 15-Jul-20  | £1.1m      | 1,621   | £678.59  | -          |
| The Gladstone Arms               | Retail/Bar | GRND  | 09-Jan-20  | £1.255m    | 1,899   | £660.87  | -          |





# FURTHER INFORMATION



## VAT

The property has been elected for VAT and it is therefore intended that any transaction will be structured as a TOGC.

## EPC

The property has an EPC rating of D. A copy is available on request.

## ANTI-MONEY LAUNDERING

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide acceptable identification documents.

## CONTACTS



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