

28 February 2022

Planning Policy
Environment and Community Services
Town Hall
Wandsworth High Street
London
SW18 2PU



Iain Buzza

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Sent via email – planningpolicy@wandsworth.gov.uk

Dear Sir/Madam,

London Borough of Wandsworth Draft Regulation 19 Local Plan Public Consultation – comments submitted on behalf of Promontoria Battersea Limited.

Introduction

This written representation is submitted by Savills (UK) Limited (hereafter known as ‘Savills’) in response to the London Borough of Wandsworth Council’s (‘LBW’) invitation to submit comments in respect of a public consultation on the Regulation 19 draft of the new Local Plan. These comments are submitted on behalf of Promontoria Battersea Ltd (‘PBL’).

PBL exchanged contracts to purchase 1 Battersea Bridge Road (‘the Site’) in 2021, an unallocated site within the Ransomes Dock Area of Focal Activity, with the aim of bringing it forward for re-development. 1 Battersea Bridge Road is a highly sustainable brownfield site in a well-connected location which presents an excellent opportunity to help homes so desperately needed both in the borough of Wandsworth and the wider London area. It is the intention of PBL to work with the London Borough of Wandsworth both through the planning application and the local plan process to ensure the Site is optimised. The observations set out in this representation are made in the context of seeking to deliver the re-development of this Site in the short term and we look forward to working with the borough to achieve this.

In addition to the observations set out, this representation is accompanied with the following:

- Urban Design & Townscape Analysis – prepared by Professor Robert Tavernor (Appendix 1);
- Indicative Development Options Designed – prepared by Simpson Haugh and Partners (Appendix 2); and
- Financial Viability Appraisals for Indicative Development Options – prepared by DS2 (Appendix 3).

Executive Summary

The Reg.19 Plan seeks to shape growth and change in Wandsworth over the next 15 years as the borough seeks to meet a pressing need for new housing and recover from the effects of the global pandemic. The main representation below presents the following arguments:

- The Site has been wrongly included within a “mid-rise” building zone.
- Including the Site within a mid-rise zone is a significant and unexpected departure from the Regulation. 18 draft local plan. There is no evidence to support the change in the Regulation 19 draft local plan.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

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- To restrict the development potential of the Site in this way makes future proposals unviable. It therefore stymie's the development of this important site located in a riverfront location on a bridgehead. Sterilising development of the Site in this manner would represent a lost opportunity for LBW to deliver a landmark building, acting as a gateway site for the borough.
- It is our view that the Regulation. 19 draft local plan is not 'sound' as it is neither effective nor justified. We detail below the changes we consider to be made for the draft local plan to be considered 'sound'.

National Policy Context

Paragraph 35 of the National Planning Policy Framework ('NPPF', July 2021) states that for an emerging Local Plan to be found "sound", it must satisfy the below four criteria:

1. **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs, and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
2. **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
3. **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
4. **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in the NPPF and other statements of national planning policy, where relevant.

Further to the four tests above, local plans in London are also required to be in "general conformity" with the London Plan.

Background

Pre-Application Advice

Prior to the sale of the Site to PBL, the previous owners undertook pre-application discussions with the London Borough of Wandsworth. The Council's pre-application planning advice noted that a mixed-use development for offices and residential accommodation in a building of scale was broadly supported, subject to the normal townscape, environmental and infrastructure justification you would expect through the normal planning application procedure.

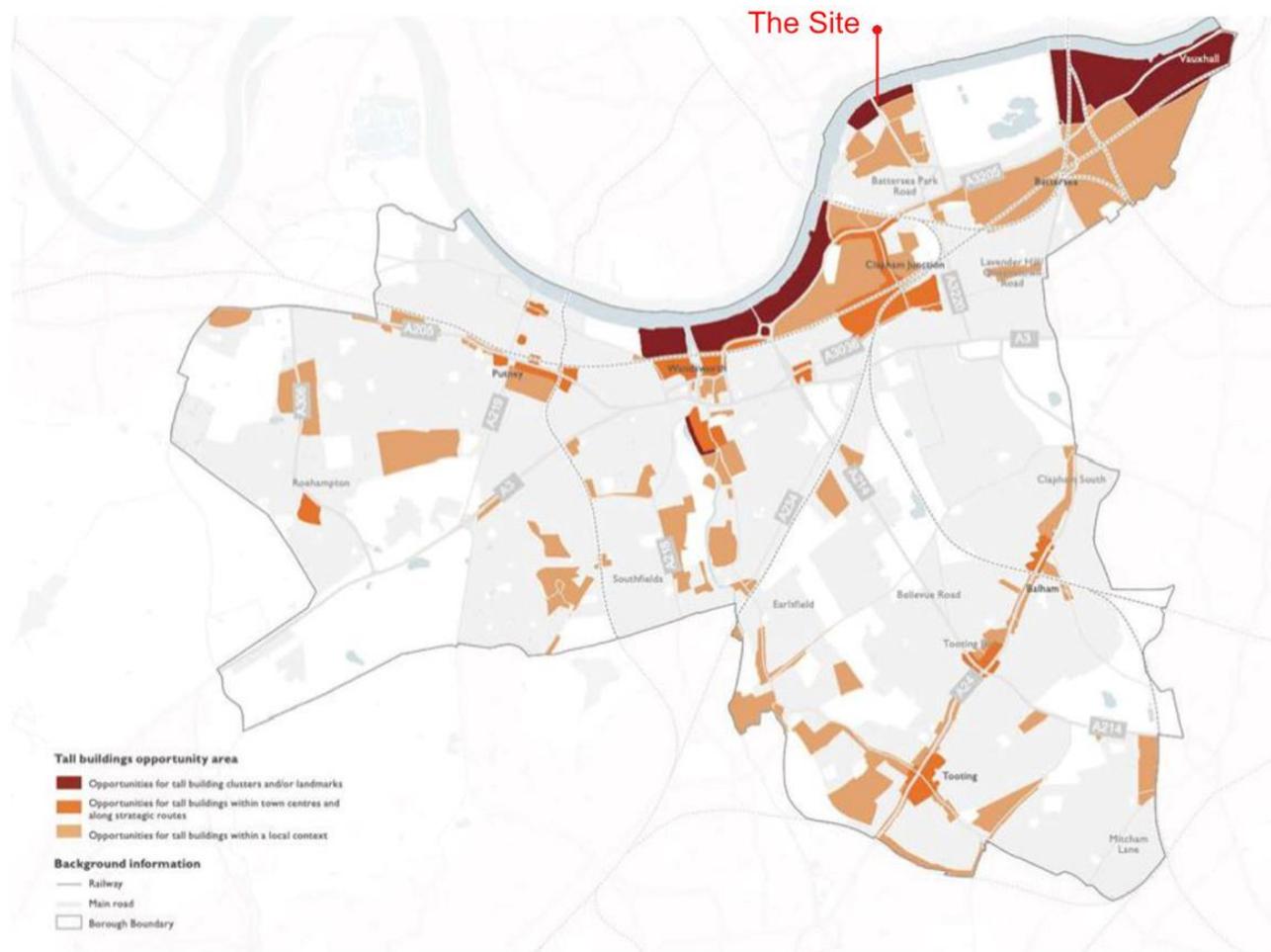
We would contend that there are no material townscape or environmental conditions which would fundamentally result in a change in approach to this site in terms of the delivery of a tall building.

Regulation 18 Draft Local Plan

The LBW undertook its Regulation 18 consultation of the draft plan (Reg.18 Plan) in early 2021. Within the Reg.18 plan the Site was located within the Ransomes Dock Focal Point of Activity and an opportunity area for

tall building clusters and/or landmark buildings, as illustrated in the image below. For clarity, the key in the image outlines the following:

- Burgundy – Opportunities for tall building clusters and/or landmarks
- Deep orange – Opportunities for tall buildings within town centres and along strategic routes
- Pale orange – Opportunities for tall buildings within a local context



Since the publication of the Reg.18 Plan we do not consider there to have been any change on or near the Site which would materially change site conditions in environmental or townscape regard. Further, we note that the neither the draft Reg 19 plan or its supporting evidence base points to any change in circumstances.

Regulation 19 Plan Observations

Policy SDS1 – Spatial Development Strategy 2023-2038

The draft policy proposes a housing target of 1,950 new homes annually until 2028/29, which aligns with LBW’s housing target identified in the London Plan. However, the Council’s own Local Housing Need Assessment

(2020), published as part of the local plan evidence base, outlines the LBW Objectively Assessed Need ('OAN') is 2,537 dwellings per annum.¹

Whilst aligning the housing target in the draft plan with the London Plan ensures its general conformity, it also fails to consider Robert Jenrick's (the then Secretary of State for the Ministry of Housing, Communities and Local Government) letter to the Mayor requiring the now adopted London Plan's housing targets be immediately reviewed following its adoption.² As such, given that LBW has objectively identified itself a greater need for housing the plan would fail to deliver against this basic requirement. We suggest that a positively prepared plan would meet its own identified needs rather than adopting an out-of-date position informed by an out-of-date evidence base from the London Plan.

Therefore, this discrepancy between the evidence base housing target and the housing target identified in draft policy means this policy was **not positively prepared, would not be effective** in delivering the needs of the borough and is therefore not justified.

Policy PM9 – Wandsworth's Riverside

PBL support the broad aims of this draft policy with regards to respecting views and vistas as identified in the Urban Design Study (2021) (Point 5); enhancing the public realm (Point 6); taking account of ecological value (Point 7); and having regard to the All London Green Grid (ALGG) (Point 8).

With regards to inclusive growth, we consider that the housing delivery targets for the borough should be increased (as discussed against draft policy SDS1 above) which would likely result in an increase for delivery in the Wandsworth Riverside area. However, the aims to promote residential-led development in the Focal Points of Activity, alongside a mixture of uses to increase activity and vibrancy along the riverside is one we support.

The 'People First' element of the policy is also supported. PBL recognise the importance of delivering a continuous, connected and legible Thames Path route along the river; increasing public access to the riverside; as well as enriching these spaces in terms of heritage and public art. 1 Battersea Bridge Road is capable of delivering a number of these objectives of the draft plan where the right policy conditions allow for the site to be delivered and optimised for its re-development potential.

Policy LP1 – The Design Led Approach

Draft policy LP1 requires development proposals to, among other things, use a design-led approach to optimise the potential of sites, in conformity with the approach set out in Policy D3 of the London Plan (2021). Whilst PBL is fully supportive of the LBW's intention to optimise site's utilising the design-led approach as set out, we consider this approach to be at odds with draft Policy LP4 (Tall and Mid-rise Buildings). The detail of draft Policy LP4 is discussed in detail below.

However, a design led approach as set out in the draft 12 criteria of Policy LP1 allows for flexibility and for an applicant and the Borough to engage in discussion and debate through the relevant Development Management procedures. This approach ensures that any development proposals submitted to the Borough would need to respond to this policy whilst demonstrating that the Site has been optimised to deliver best outcomes for the

¹ Paragraph 6.32 of Local Housing Needs Assessment

² Page 1 of Letter to Mayor of London from Secretary of State for Housing, Communities and Local Government (27 July 2018)

borough. A rigid approach which caps heights removes this design approach from the process and is unlikely to therefore deliver the jobs and homes the borough needs as well as resulting in inferior design proposals.

Policy LP3 – Historic Environment

Part 3 of this draft policy requires development proposals to positively contribute to and, whenever possible, enhance the setting and integrity of strategic and local views (as set out in the London Plan and in table 14.1) and valued. The starting point for this draft policy is to positively contribute, which appears to go over and above the position in the London Plan and the NPPF.³ The extract from London Plan policies HC1 and HC4 demonstrate that the baseline is to conserve and to not harm, as opposed to requiring a positive contribution. Whilst we are generally supportive of protecting Wandsworth’s historic and strategic environments, draft policy LP3 (Part 3) appears more onerous than the London Plan and the NPPF. This policy as drafted is therefore **not in general conformity with the London Plan and not consistent with national policy**.

Policy LP4 – Tall and Mid-rise Buildings

This draft policy establishes tall and mid-rise building zones across the borough; with ‘tall’ buildings defined as 7-storeys or 21m (whichever is the lower) and ‘mid-rise’ (for 1 Battersea Bridge Road) defined as 6-storeys or 18m (whichever is the lower). We consider this rigid approach to tall buildings to be inflexible and an inappropriate strategy for the borough to be able to encourage and deliver appropriately optimised sites. Optimising sustainable brownfield sites such as 1 Battersea Bridge Road is a strategy that is reiterated in both Policy D3 (Optimising Site Capacity Through The Design-Led Approach) of the London Plan and the National Planning Policy Framework.⁴ By restricting the appropriate optimisation it is our view that the policy as drafted is too rigid and discourages development at 1 Battersea Bridge, thereby making the policy not deliverable and **not effective**.

The 1 Battersea Bridge Road site was included within an opportunity area for tall buildings and/or landmark buildings in Regulation.18 Draft Local Plan, which was underpinned by the Arup Urban Design Study (2020). However, there is no justification for the borough’s approach in removing the Site from the tall building zone and placing it into the mid-rise building zone. It is important to note that it is only 1 Battersea Bridge Road that has been removed from the tall building zone, none on the neighbouring plots have.

Appendix A of the Urban Design Study (2021) provides high level townscape, visual and heritage assessment for various tall building zones. This includes detailed massing models for many of the tall building areas, to assist in justifying an area’s respective designation. However, it is noted that the mid-rise building zone the Site is located within (i.e., MB-B2-02) has no such assessment and it is therefore unclear what evidence the Urban Design Study (2021) has utilised to justify why it is just 1 Battersea Bridge Road that has been moved to a mid-rise zone whilst all neighbouring plots remain in a tall building zone.⁵

The sudden but significant move away from the tall building zone to the mid-rise building zone is made even more confusing in the context of the November 2018 pre-application meeting with LBW officers. In this instance a residential-led building of scale was supported in principle by officers. Officers noted that a tall building next to Battersea Bridge, would be “a gateway to the Borough” and “act as a landmark and reference point”. Officers also noted the principle support was subject to the normal townscape and design considerations, as is detailed within a formal planning submission.

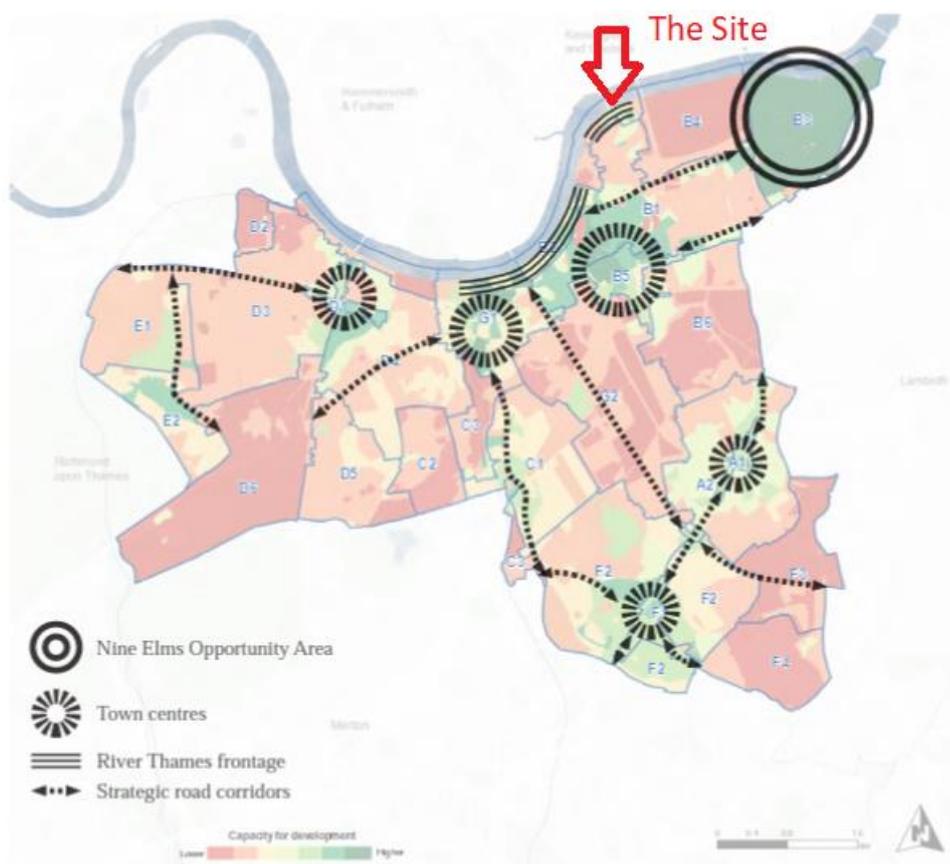
³ Paragraph 199 of the National Planning Policy Framework

⁴ Paragraph 130 (e) of the National Planning Policy Framework

⁵ Page 26 of the Townscape Narrative

Further to the above, the Urban Design Study (2021) makes no reference to neither London-wide nor Wandsworth-specific examples of tall and/or landmark buildings that already mark London’s numerous bridges. Lombard Wharf frames the Battersea Railway Bridge in Wandsworth, One Blackfriars frames Blackfriars Bridge, and Nine Elms developments frame Vauxhall Bridge in Lambeth. There is clear precedent for tall buildings marking various bridgeheads across London, all of which were tested in townscape terms and in the absence of any townscape assessment of a tall building at the Site it is our view that Policy LP4 is **not justified**.

Page 11 of the Urban Design Study (2021) states that Wandsworth has capacity for tall buildings in a number of strategic and local locations, one of which is along the River Thames Frontage, as illustrated in the image below.⁶ It is perplexing that the 1 Battersea Bridge Road site is the only site within this area of the Thames Frontage that is not within a designated tall building zone, particularly where no justification for this has been given.



Draft Policy LP4 (Part C) states proposals for tall buildings will not be permitted outside the identified tall building zones. The apparent blanket-ban on tall buildings outside of tall buildings zones does not align with the recent *Master Brewery (2021)* judgment of the High Court. In summary, the court held that a tall building proposal should be assessed against the potential impacts outlined in Policy D9 (Part C) of the London Plan (2021) rather than assessing the impacts in a vacuum.⁷ Whilst London Plan Policy D9 allows local planning authorities to be more prescriptive with tall building locations it is clear from the *Master Brewery* judgment that an assessment of a scheme holistically should be considered. As currently drafted, Policy LP4 (Part C) strictly

⁶ Pages 15-16 of the Townscape Narrative

⁷ Paragraph 85 of Hillingdon judgment (<https://www.bailii.org/ew/cases/EWHC/Admin/2021/3387.html>)

prohibits tall buildings outside of tall building zones and removes an applicant's ability to appropriately provide a planning justification for a scheme. It is therefore our view that Policy LP4 (Part C) is **not in general conformity with the London Plan, nor is it effective**.

LP4 (Part 3) states proposals should be designed to reflect and respond to relevant key view corridors toward the Site to ensure location, form, detailing and prominence of tall buildings are appropriate within the wider context. We are generally supportive of this insofar as it seems to support the iterative design process and encourages applicants to engage in the design-led process. However, LP4 (Part 4) states the design of the lower, middle and upper parts of tall buildings should result in the creation of a visually coherent scheme both in terms of the building itself and how it relates to the surrounding area, and its appearance in any mid or long-range views.

The Site presents a clear opportunity at the bridgehead of Battersea Bridge to deliver a legible and visually coherent scheme which acts as a distinct marker of entry into the London Borough of Wandsworth.⁸ In this context, we consider the Site capable of accommodating a building taller than "mid-rise" in this location. This is echoed in the submitted Townscape Narrative which states that *"a tall, and potentially landmark building, is entirely appropriate for 1 Battersea Bridge Road. Furthermore, in townscape terms, we firmly believe that a tall building would be more appropriate here than a mid-rise building."*⁹

LP4 (Part 16) states tall building proposals should incorporate active frontages at ground floor. We are supportive of LBW's approach to active ground floor uses. This is particularly beneficial for sites such as 1 Battersea Bridge Road where such uses can help animate the building's landward-orientation and its river orientation along the Thames Path.

Much of the tall building "impacts" to be assessed under Policy LP4 concern design. In this design context, development proposals should be tested through the development management process following submission of a detailed planning application. It is our view that the 1 Battersea Bridge Road site is capable of satisfactorily meeting the criteria established in Policy LP4. As noted in the submitted Townscape Narrative, subject to the appropriate townscape and design testing we contend the 1 Battersea Bridge Road site is capable of accommodating a building taller than the heights identified as "tall" in the neighbouring tall building zone (7-storeys or 21m, whichever is less).¹⁰ Where this is the case, a "step up" from the adjacent tall building zone would help create the landmark or gateway building demarcating entry to the borough, as discussed above.

In light of the above, it is our view that the 1 Battersea Bridge Road site has been wrongly included within a mid-rise building zone. The Urban Design Study (2021) presents no clear, townscape or design evidence of the Site in which to justify the mid-rise designation. This is particularly pertinent considering the Site was included within an opportunity area for tall buildings and/or landmark buildings in the Reg.18 Local Plan and the fact that the neighbouring sites have remained within tall building zones and only 1 Battersea Bridge Road has been removed from the tall buildings zone.

For the reasons set out above, we consider this policy as drafted is **not justified**. The strict interpretation of the London Plan's tall building policy D9 is likely to discourage development and unduly restrict LBW's ability to deliver the wider objectives of Policy LP4. The policy as drafted is also therefore **not effective**.

⁸ Paragraph 2.19 of the Townscape Narrative

⁹ Paragraph 2.21 of the Townscape Narrative

¹⁰ *ibid*

LP6 – Basements and Subterranean Developments

Part A.1 of this draft policy states that new or extensions to basements will only be permitted where it would result in no more than one storey of basement accommodation below ground level. However, there does not appear to be any evidence base to justify this position in the Reg.19 Plan. The acceptability of basement development should be determined on a case-by-case basis and LBW should be supportive of such development where an applicant has demonstrated a basement has been appropriately designed with appropriate mitigation measures, where necessary. This draft policy therefore appears unduly restrictive, particularly in the context that there is no evidence to underpin this position. As such, we consider the policy is **not justified**.

Policy LP23 – Affordable Housing

This draft policy seeks to maximise the delivery of affordable housing in line with the threshold approach set out in Policy H5 of the London Plan (2021). The policy also proposes an affordable tenure split of 50% low-cost rented housing, 25% first homes and 25% other intermediate products. A minimum discount of 30% will be applied to First Homes.

PBL is supportive of affordable housing delivery. Nevertheless, where a site or development is not capable of coming forward in line with the threshold approach set out in Policy H5 (Threshold Approach to Applications) of the London Plan, or where the policy compliant tenure split is not deliverable, a viability case should be capable of being advanced with the Council. As drafted, Policy LP23 (Part E), states that viability information will only be accepted in exceptional circumstances. Clarity is sought from the Council in this regard as the use of 'exceptional circumstances' results in confusion with the drafting. Notwithstanding, the exceptional circumstances policy is more onerous than Policy H5, which allows applicants to make a case for a proposal in viability terms where the Fast Track Route requirement is not satisfied. This inflexible approach to viability testing schemes may limit the delivery of housing and affordable housing and render this policy objective undeliverable. This approach is therefore **not in general conformity with the London Plan** and is **not effective**.

Having particular regard to the delivery of First Homes as part of the tenure mix, PBL has concerns whether a site such as 1 Battersea Bridge Road would be capable of delivering such homes. Paragraph 1.32 of the Local Housing Needs Assessment (First Homes) document states that where a greater than 30% discount is sought, consideration should be given to whether this prejudices the scheme viability of providing other affordable tenures such as social rented homes. Policy LP23 is clear that low-cost rented housing (such as social rent) is the borough's priority. As such, we consider that the tenure element of the policy could allow for greater flexibility and negotiation with Officers through the normal planning application procedures.

LP33 – Promoting and Protecting Offices

This draft policy establishes the borough's approach to office development by focussing employment development to key strategic areas such as the Central Activities Zone ('CAZ'), town centres and economic use intensification areas for example. We support the borough directing office development to areas such as the CAZ (LBW's CAZ area is the Vauxhall, Nine Elms and Battersea Opportunity Area ('VNEB')) to cater for predominately large-scale office floorplates. The LBW Employment Land and Premises Study ('ELPS', 2020) indicates there is a net additional requirement for 22,500 sqm of office floorspace over the emerging plan period. We support the flexible approach of this policy in delivering new office floorspace to achieve this identified target.

Draft Policy LP33 (Part E) protects existing office floorspace in locations such as the CAZ and town centres, among others, and only supports redevelopment in those areas where they result in no net loss of office or upon a successful 18 month marketing period. The draft policy does not appear to apply strict protections to existing office floorspace outside of the abovementioned areas. We are supportive of this policy and consider it affords the appropriate flexibility in delivering an appropriate amount of office space in the borough.

LP38 – Affordable Workspace

This draft policy requires proposals delivering over 1,000sqm of economic floorspace (such as offices) to provide at least 10% of the gross economic floorspace as affordable workspace. Whilst we support the affordable workspace policy in principle, due to its current inflexibility it is **not effective** and cannot be considered to be “sound”. The policy as currently drafted requires applicants to deliver 10% of gross proposed economic floorspace even in an area which may see little SME demand, thereby making the space unlettable. This inflexibility can be corrected through applying the 10% threshold to the proposed net additional economic floorspace.

A similar issue was raised by Inspector Mike Fox in his Inspector’s Report to the Lambeth Main Modifications, whereby he noted ‘...the requirement of the policy to deliver 10 per cent of total floorspace, as drafted, for affordable workspace, provides very little flexibility in areas where SMEs have been declining due in part to high land costs.’¹¹ Inspector Fox continued that by applying the threshold to the gross floor area, Lambeth’s policy as drafted overlooks the back of house/circulation areas, which are not linked to specific users. As such, an affordable workspace applied to the net additional floorspace would result in a more ‘efficient and equitable way of calculating such provision.’

LP51 – Parking, Servicing and Car Free Development

Draft policy LP51 (Part D) requires car-free development where a given site has a PTAL 4 rating, a Transport Assessment demonstrates that private car parking is not required, with the appropriate number of disability friendly spaces are provided in accordance with the London Plan. We are generally supportive of LBW’s ambition to reduce car parking across the borough but consider the car parking strategy to be determined through the development management process informed by a Transport Assessment and/or other appropriate documents. The PTAL measure does not account for walking or cycling routes and/or shared cycling initiatives such as Santander Cycles, of which there are approximately five different docking stations nearby the 1 Battersea Bridge Road site. Further, there does not appear to be any evidence base documents to underpin the position that PTAL 4 is the default car-free position. The policy as currently drafted appears unnecessarily rigid and may contradict applicant efforts to encourage the use of more sustainable transport modes. This draft policy is therefore **not justified**.

LP59 Riverside Uses, including River-dependent, River-related and adjacent Uses

Parts F and G of this draft policy state:

F. Along the riverside within the Thames Policy Area, mixed-use development will be supported where it would create safe high-quality environments, provide new homes, leisure, social and cultural infrastructure facilities, provide public spaces, incorporate riverside walks and cycle ways and increased public access to the river.

¹¹ Paragraphs 134-135 of Lambeth’s Local Plan (2021) Inspector’s Report (https://beta.lambeth.gov.uk/sites/default/files/2021-07/Lambeth%20Local%20Plan%20Report%20-%20final_3.pdf)

G. Within Focal Points of Activity uses including restaurants, cafes, bars, cultural space and small-scale retail will be permitted in order to create vibrant and active places, subject to compliance with Policy LP43 (Out of Centre Development). High-quality and well-designed public spaces with good access should be provided to form new destinations which are designed to make full use of the amenities offered by the riverside. Successful clusters of existing economic floorspace should be re-provided, where possible, in accordance with Policy LP35 (Mixed Use Development on Economic Land). The Focal Points of Activity are located at:

1. Wandsworth Riverside Quarter and Wandle Delta
2. Lombard Road/ York Road Riverside
3. Ransomes Dock

We are supportive of this draft policy and the Borough's wider ambition to enhance its riverside spaces such as the River Walk, deliver new homes and other appropriate uses for end-users of the LBW's Thames Policy Area and Focal Points of Activity such as the Ransomes Dock Focal Point. The 1 Battersea Bridge Road site is located at the 'junction' of Battersea Bridge and the Thames Walk to the east which leads to Battersea Park and further to Battersea Power Station. An appropriate mixed-use development at the Site would allow these positive riverside uses to be delivered as sought in the draft policy.

Overall effects of the draft Plan

As outlined above, PBL have significant concerns with regards to the 'soundness' of the draft plan. In particular we consider that the details of the plan with regards to building heights results in such an undue and counter-productive constraint as to render the Site undeliverable during the plan period. The effect of which would be to sterilise the Site and ensure that it does not deliver the homes, jobs and public realm sought by other elements of the plan.

If the Residual Land Value ('RLV') produced by any of the three alternative development scenarios is lower than a Benchmark Land Value ('BLV'), the scheme is deemed unviable.¹² A proposed development is unlikely to be brought forward where it is unviable unless the level of affordable housing and/or planning obligations are reduced through agreement with LBW. In order to demonstrate the effect of the Reg.19 Plan we submit to the Council three redevelopment scenarios and subsequent viability assessments for consideration (Appendix 2).

The scenarios comprise the following:

- **Option 1:** Refurbishment of the Site for use as offices 56,369 sq. ft (GIA) (5,236.9 sq. m)
 - o This development scenario retains the structure of the existing building and proposes a refurbishment to Cat A standards.
- **Option 2:** Demolition of the existing building and re-development of the Site to provide an office development of 68,570 sq. ft (GIA) (6,370.4 sq. m)
 - o This development scenario re-provides office accommodation on the site in a new building which enables ground floor and significant public realm improvements to be delivered.
- **Option 3:** Demolition of the existing building and re-development of the Site to provide a mixed use office 34,485 sq. ft (GIA) (3,203.8 sq. m) and residential (17 homes) development.

¹² Page 3 of the Viability Report

- This development scenario re-provides an element of office accommodation on the site alongside new market and affordable homes in a new building which enables ground floor and significant public realm improvements to be delivered.

The plans for each option are provided in Appendix [2]. Importantly, each option has been developed to accord with the provisions of the draft Local Plan. In particular, Option 1 ensures that the existing building is not made any taller than the existing (i.e. 23.9m) and Options 2 & 3 are within the parameters of a mid-rise building.

The results of the accompanying Viability Report from DS2 demonstrate the following.

Option 1 – Retrofit of Existing Commercial Building

This option would retrofit the existing building to accommodate contemporary office standards/requirements including matters such as sustainability. It would deliver 5,236.9 sqm (GIA) of office floorspace across the building, as shown in the image below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

CBRE has undertaken a valuation at the Site to assist in forming the baseline of the viability assessment and have concluded that the BLV is £4.5 million (m). The existing Site conditions are dated and poor, failing to meet modern office standards/requirements. Due to the poor conditions it is estimated that a comprehensive refurbishment would be required to re-let the Site and would cost approximately £17m.¹³ Given the expenditure required to make 1 Battersea Bridge Road re-lettable far exceeds a BLV of £4.5m, it is highly unlikely that any developer would seek to undergo the extensive refurbishment works required to render the building fit for purpose. This sterilises the Site for redevelopment as it is an undeliverable scheme and an unattractive undertaking for developers.

Option 2 – Redevelopment of the Site to Provide New Office Building

This option comprises the demolition of the Site and redevelopment including a contemporary, 6-storey office building in line with modern standards, appropriate public realm improvements and ground-floor commercial space. A floor-by-floor area schedule is illustrated in the figure below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

¹³ Page 5 of Viability Report

The RLV for this option is £-5.5m and the BLV remains unchanged at £4.5m, meaning there is a **-£10m deficit**. The relevant guidance is clear that sensitivity analyses must be undertaken when testing development viability;¹⁴ this allows applicants to account for potential variations in residual valuations. The sensitivity analysis demonstrates that this option relies on 5% decrease in rent per sq.ft and a reduction of 10% in construction costs to become a viable proposition. However, with supply-chain issues and the cost of construction increasing due to wider economic conditions such as Brexit and Covid-19, we do not consider this to be a realistic proposition.

According to the viability analysis, this alternative development scenario also demonstrates an unviable position were a scheme to come forward that was capped at 6-storeys in line with the draft tall buildings policy. This approach limits the council's ability to deliver the wider objectives of the Reg.19 such as the 10% affordable workspace (in line with draft Policy LP38), enhanced public realm along the River Thames Walk (in line with draft Policy PM9). The Site being subject to the 6-storey height cap therefore renders the draft plan, when read as a whole, undeliverable and **not effective**.

Option 3 – Residential-led Mixed Use Development

With a Residual Land Value of -£13.3 and the BLV unchanged at £4.5m, this alternative development option would be in a **-£17.8 deficit**. This option comprises 17 residential units and 34,485 sq. ft (GIA) (3,203.8 sq. m) office floorspace as per the figures below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

Such a large deficit prohibits a developer's ability to deliver wider objectives of LBW's draft local plan, particularly the borough's ambition to deliver 1,950 new homes over the plan period. Moreover, a -£17.8m deficit would mean a developer would be unable to deliver a policy compliant scheme in relation to housing and affordable housing. Particularly in relation to LBW's draft First Homes policy as a further 30% discount (minimum) would further increase the deficit. We consider the height cap to be unduly restrictive and negatively impact the viability, and thereby deliverability of the Reg.19 Plan.

This further demonstrates that the Reg.19 Plan is not effective, as currently drafted. In addition, there are wider planning benefits PBL would not have the opportunity to deliver under these circumstances, including LBW not receiving any Community Infrastructure Levy ('CIL') money to help deliver pieces of social and transport infrastructure.

Conclusion

PBL is committed to delivering the re-development of the 1 Battersea Bridge Road site and to work with the Council in doing so. There are elements of the Regulation 19 Plan which could deliver growth and an enhanced environment to the borough and PBL is willing and capable of delivering against these objectives. However, as currently drafted, **we do not consider the plan to be sound as it is not effective, justified or consistent with national policy.**

¹⁴ RICS Professional Statement 'Financial Viability in Planning; Conduct and Reporting' (2019)

We look forward to continuing to work with the borough to deliver growth in Wandsworth and thank you for the opportunity to engage in this consultation. We would be grateful for confirmation of receipt of these representations and trust that these comments will be taken into consideration as officers finalise a submission version of the Local Plan.

Please do not hesitate to contact us on the details at the head of this letter should you require any further information.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Savills", written in a cursive style.

For and on behalf of Promontoria Battersea Limited

Appendix 1: Urban Design & Townscape Analysis

Wandsworth Local Plan Publication (Regulation 19) Consultation Version (January 2022)

**Representation on behalf of Promontoria Battersea
Limited by the Tavernor Consultancy: Townscape
and Built Heritage**

28 February 2022

**Wandsworth Local Plan Publication (Regulation 19) Consultation
Version (January 2022)
Representation on behalf of Promontoria Battersea Limited by the
Tavernor Consultancy: Townscape and Built Heritage**

Contents:	Pages
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Key to highlights in Appendices:	
Yellow – emphasizes key text in document	
Blue – Tavernor commentary	

Wandsworth Local Plan Publication (Regulation 19) Consultation Version (January 2022)

COMMENTARY

Introduction

- 1.1 This commentary of the Wandsworth Local Plan Publication (Regulation 19) Consultation Version (January 2022) has been written by the Tavernor Consultancy, architectural consultants specializing in townscape and built heritage impacts, on behalf of Promontoria Battersea Limited. Our commentary focuses on the Thames Riverside of Battersea, at the bridgehead of Battersea Bridge, and specifically the site at 1 Battersea Bridge in which Promontoria Battersea Limited have a development interest.
- 1.2 Our commentary considers London Borough of Wandsworth's (LBW) Local Plan Publication in the context of the ARUP urban design study of December 2021, on which it is based. Passages relevant to the site at 1 Battersea Bridge are quoted in the two appendices that follow this commentary: text highlighted **yellow** in the appendices emphasizes key text in ARUP and LBW's documents, Tavernor comments on that text are highlighted **blue**. The LBW Local Plan Publication is included as an appendix here to demonstrate its reliance on the ARUP report.

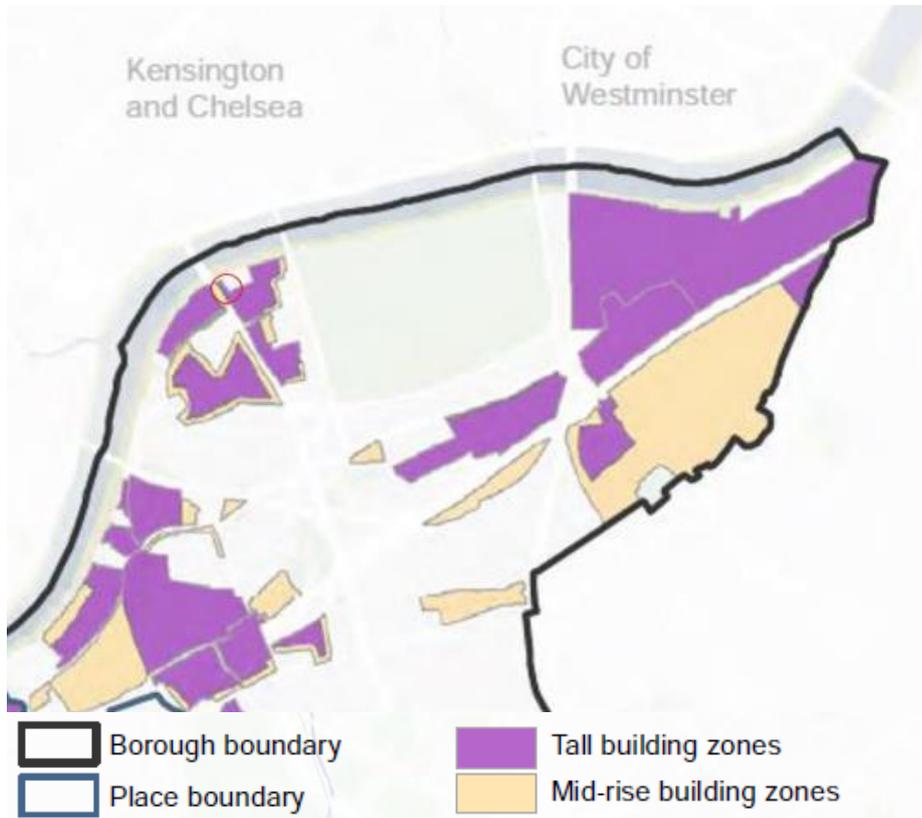
ARUP's Urban Design study (December 2021)

- 2.1 All references in this section of our commentary relate to the ARUP study unless stated otherwise.
- 2.2 The Executive summary (pp. 1-15), states that the Urban Design Study was commissioned by LBW to provide a townscape character assessment, alongside other necessary evidence, to enable the Council to deliver a design led approach to meeting its housing targets through the emerging Local Plan (p. 1, para 1). The urban design study is intended to provide 'the best possible evidence' (p. 1, para 7): the earlier December 2020 version of the ARUP study having helped inform LBW's approach to tall building in the earlier Regulation 18 Draft Local Plan.
- 2.3 To this end, ARUP divided LBW into character areas, each of which are described and evaluated to draw out valued features and negative aspects for enhancement. The key characteristics and qualities of character areas are verified on site, in discussion with stakeholders and through community engagement. (p. 3)
- 2.4 In consideration of the 'capacity for growth' in LBW the capacity for growth is determined by assessing the sensitivity of the character areas to establish high sensitivity areas unlikely to have capacity for development without adverse effects on the townscape; alongside areas of medium and low sensitivity with the potential for targeted or larger scale growth. Simultaneously, the 'probability' of change is assessed: sensitivity and probability are considered together to understand the potential development capacity. (p. 3)
- 2.5 Battersea Riverside is part of the Battersea character area – one of seven places in Wandsworth. (p. 6) Battersea Riverside is depicted as having a 'mixed riverside frontage'.



Caption in Executive Summary: '**Battersea's mixed riverside frontage**'. (NB. The same image is referred to in the body of the main document, at Fig. 61, with the caption '**Battersea's mixed riverside frontage illustrating new and old landmarks in close proximity**'.)

- 2.6 The site is located in an area with '**lower**' sensitivity on the 'Sensitivity plan' (shaded light blue, p. 8). It is defined as having a '**lower/medium**' probability of change (shaded orange, p. 9), and a '**medium**' capacity for change (shaded pale yellow, p. 10). In terms of an 'Overall development strategy' for the specific River Thames frontage in which the site is located it has a **medium capacity for development** (see map on p. 11).
- 2.7 It is stated that: '*Overall, Wandsworth has capacity for tall buildings in a number of strategic and more local locations. Opportunities for tall buildings are generally concentrated within three different types of area: 1. Along the River Thames frontage [...] However, the impact of riverside development goes well beyond the borough boundaries and therefore must continue to be carefully planned to protect the character of both banks and the overall historic and cultural importance of the River Thames as a globally recognised characteristic of London*'. (p. 12) Furthermore: '*An area being designated as a tall building zone does not mean it has capacity to receive tall buildings within the appropriate range across the whole extent*'.



Plan above is an extract from the 'Tall and mid-rise building zones borough overview map' (p. 14): site circled in red

- 2.8 The site is included in between a 'mid-rise' and 'tall building zone' definition: the 'mid-rise' colour apparently relating to the street frontage. This represents a change of thinking from an earlier December 2020 version of ARUP's study, which shows the purple shading spreading across the main road (see map details for comparison below). **NB.** The 2020 version helped inform LBW's approach to tall building in the earlier Regulation18 Draft Local Plan.



Extract from ARUP December 2020 study at Fig. 15: 'Tall buildings opportunity map'. Site circled red.

- 2.9 There is no explicit rationale provided for this modification. Nor is it consistent with the main text in Section 3 of ARUP's Urban study in relation to 'B2 Battersea Riverside' (p. 60ff.). The 'Key Characteristics' of this area are: a **'mixture of uses'**, **'coarse urban grain, with large scale buildings'**, and a **'mixture of building heights: buildings fronting the river rise to 18 storeys high'**, including **landmark modern buildings**. The area has an **'urban feel, with limited tree cover'**, with **the River Thames providing a sense of openness**. (p. 60)
- 2.10 No specific 'valued' views of the site are indicated in the study or the Local Views SPD (p. 62). As regards to 'sensitivity' it is stated that: ***'additional height could be accommodated as long as development provides additional public open space around the river and respect the area's valued features'***, which include: ***'the area's role as a visual backdrop and setting to the river in views from RB Kensington & Chelsea; the setting and views in and around Battersea Park'***. (p. 63) This leads to the conclusion in the caption to Fig. 74, that: ***'Overall, Battersea Riverside has a low sensitivity to change with potential for targeted growth'***. (p. 63)

2.11 This is a reasoned conclusion by ARUP, which applies to the potential for height and growth along Battersea Riverside in general. While detailed height studies are made by the authors of a range of sites in the appendices to their urban study, they make no specific study of the potential of the Battersea Bridge bridgehead for a tall landmark modern building fronting the river, where existing tall buildings are more generally already in evidence. In the absence of such a study ARUP's assumptions that the site has only medium potential for height are both unfounded and inconsistent with their general conclusion for Battersea Riverside.

2.12 Furthermore, ARUP's 'Character area design guidance' (p. 63) provides principles to be applied, which could be used to shape and scale an appropriate development brief for the site, including:

Aspire to creating a continuous, connected and legible Thames Path route along the river [...]

Create references to historic pattern, uses and elements where possible to bring coherence, legibility and integrity to the character area.

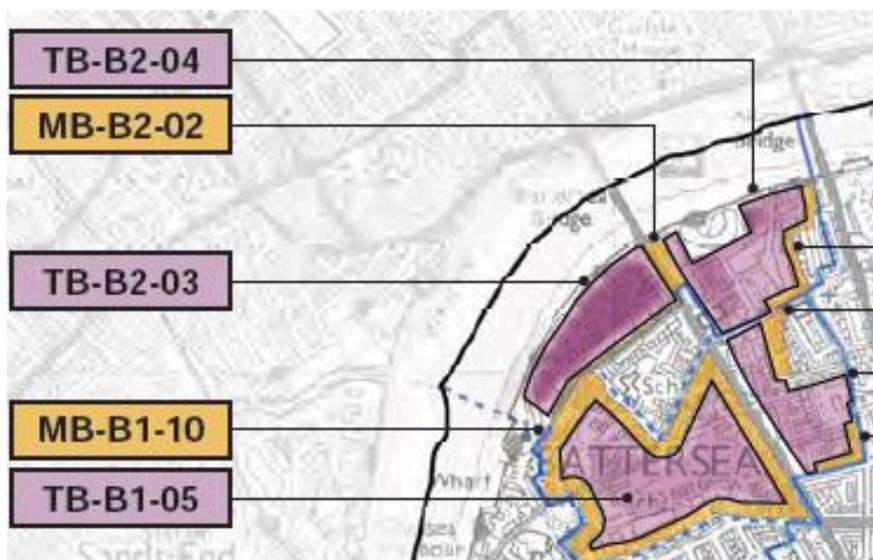
New development should have a distinctive character that creates remarkable landmarks. It should provide excellent and inviting public realm as part of a coherent strategy rather than spaces between buildings. Active frontages to the Thames Path should be provided.

Preserve linear views along the river.

Consider a wider public realm or cultural strategy to create a sense of coherence between the many different elements along the riverside.

Encourage a mixture of uses to increase activity and vibrancy along the riverside. (p. 63)

2.13 However, Appendix A, Fig. 244 (p. 218) identifies the site and adjacent zones as illustrated in the following extract:



2.14 As stated already, no specific study is provided by ARUP that leads to this illustrated conclusion, nor the broad overview conclusion regarding the assumed appropriate heights at Table 2 on p. 213 for the sites on either side, set out as follows:

Zone	Place	Character area	Appropriate height range (storeys)	Appropriate height range (m)	Justification
TB-B1-03	Battersea	Battersea Residential	7 to 20	21 to 60	Analysis of scenario
TB-B1-04	Battersea	Battersea Residential	7 to 12	21 to 36	Analysis of existing buildings

2.15 The potential range for future tall building heights in the area to the immediate west of the site is between 7-20 storeys and up to 60m. For the area to the immediate east, it is only 7-12 storeys and up to 36m. No height scenarios have been tested for these tall building areas, and no rationale is given why the Promontoria Battersea Limited site should be regarded as only suitable for mid-rise heights – with heights lower than the adjacent areas: the site is labelled as site MB-B2-02 in the map on p. 201, with a shading indicating it is suitable for mid-rise buildings up to 6 storeys (18m).

2.16 Section 4 of the Urban Design Study considers the capacity for growth in the borough (specifically in relation to tall buildings) using the findings of the characterisation study. It states that: *'In line with the London Plan, the borough of Wandsworth has developed a local definition of a tall building*

to be applied across the borough. The reference is to new London Plan (2021) and the new emerging Local Plan for Wandsworth. (p. 161), and cross-refers to **Section 4.5 Tall buildings** (p. 173) and specifically **Part B of Policy D9 of the London Plan**.

2.17 In this context we are aware of the very recent **Master Brewer Judgement** in the High Court in relation to the Tall Buildings Policy D9 in the London Plan (*Master Brewer Judgement 15 December 2021: [2021] EWHC 3387 (Admin); Case No: CO/1683/2021*). It is concluded there that, read straightforwardly and objectively and as a whole, policy D9:

- i) requires London Boroughs to define tall buildings within their local plans, subject to certain specified guidance (Part A);
- ii) requires London Boroughs to identify within their local plans suitable locations for tall buildings (Part B);
- iii) identifies criteria against which the impacts of tall buildings should be assessed (Part C); and
- iv) makes provision for public access (Part D).

In considering whether to grant planning permission for a tall building not identified in the development plan, it was concluded that the proposal should be assessed by reference to the potential impacts which are listed in Part C, in accordance with the objectives of Policy D9.

Final conclusions

- 2.18 It is evident that the LBW Regulation 19 Draft Local Plan is based firmly on the ARUP urban design study, and that – while a number of sites were selected by ARUP for detailed study regarding height – the 1 Battersea Bridge site was not one of them. The heights set out for immediately adjacent areas are regarded as suitable for tall buildings, but the heights proposed are a response to existing heights rather than exploring the potential of these sites within the constraints the ARUP report establishes. No rationale is given as to why the site at 1 Battersea Bridge Road site is only appropriate for a mid-rise building.
- 2.19 There is London-wide precedent for tall and/or landmark buildings at the bridgehead of major river crossings – Lombard Wharf marking the Battersea Railway Bridge provides a local example. There are other Thames riverside examples, such as One Blackfriars marking Blackfriars Bridge in Southwark, or Vauxhall Cross and the Nine Elms tall building cluster landmarking Vauxhall Bridge and the nearby transport interchange in Lambeth.
- 2.20 The recent **Master Brewer Judgement** in the High Court makes it clear that design proposals are to be tested with different heights and massing to assess their visual impact in relevant views. Likewise, only once tall building proposals are tested on the 1 Battersea Bridge Road site can it be concluded what height may or may not be appropriate there. The Tavernor Consultancy have assessed a range of tall building heights for 1 Battersea Bridge Road in relation to views locally – views relating to local conservation areas and listed buildings – and along and from across the River Thames, including from RBKC and LBHF.
- 2.21 It is our conclusion – in relation to ARUP's own study regarding potential building heights in the context of Battersea Riverside, and with reference to the specific zone in which the site falls, at its bridgehead – that a tall, and potentially landmark building, is entirely appropriate for 1 Battersea Bridge Road. Furthermore, in townscape terms, we firmly believe that a tall building would be more appropriate here than a mid-rise building.

APPENDIX 1

ARUP

Wandsworth Borough Council

Urban Design Study: Characterisation, development capacity and design guidance (December 2021)

Executive summary (pp. 1-15)

This Urban Design Study has been commissioned by the London Borough of Wandsworth to provide a townscape character assessment, alongside other necessary evidence, to enable the Council to deliver a design led approach to meeting its housing targets through the emerging Local Plan. The study brings together the values, character and sensitivity of different parts of the borough with the reality of future development pressures. (para 1)

[...]

In recent years, high-rise mixed use developments have become increasingly a feature of the Thames riverside in areas previously occupied by heavy industry such as in the Nine Elms Opportunity Area around Battersea Power Station. (para 6)

Wandsworth is an ambitious and proactive borough that desires to drive positive change with a focus on appropriate, well-planned delivery. This commitment to change includes maximising the supply of housing for the Borough. This is only achievable through ensuring the Local Plan policies and site allocations remain up to date, fit for purpose and are supported by the best possible evidence in order to be effective and robust. (para 7)

Characterisation (p. 3)

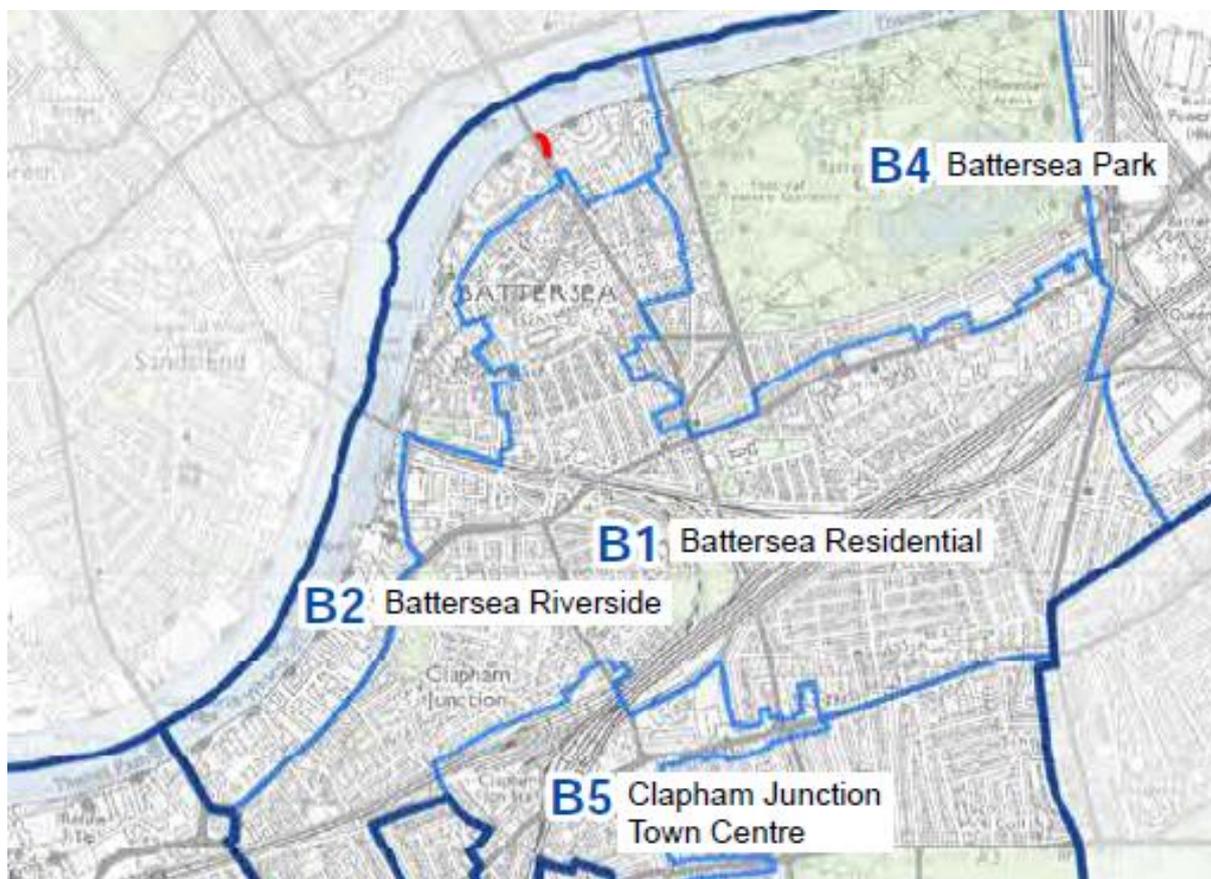
The baseline characteristics of the borough as a whole are reviewed, including consideration of physical, cultural, perceptual and social qualities.

The borough is then divided into character areas, each of which are described and evaluated to draw out valued features and negative aspects for enhancement. The key characteristics and qualities of character areas are verified on site, in discussion with stakeholders and through community engagement.

Capacity for growth (p. 3)

The capacity for growth is determined by assessing the sensitivity of the character areas to establish high sensitivity areas unlikely to have capacity for development without adverse effects on the townscape; alongside areas of medium and low sensitivity with the potential for targeted or larger scale growth. Simultaneously, the 'probability' of change is assessed, analysing the borough in terms of aspects such as public transport accessibility, land availability and planning policies. Sensitivity and probability are considered together to understand the potential development capacity of the borough.

The development capacity map is used to establish areas which may be able to accommodate tall and midrise buildings, tested against hypothetical scenarios.



Extract from Fig. 4: Overview of character areas (p. 4 – site marked red)

**The seven Places of Wandsworth (p. 6 – Battersea being one of the '7')
Battersea (p. 6)**

Before the industrial revolution much of the Battersea area was farmland known as 'Battersea Fields'. The flat, fertile soils of the Thames floodplain were cultivated for market gardening. The area stretches along the River Thames, with the 83ha listed Battersea Park at its centre. The area is now also home to one of the largest regeneration projects in the country - focused around the grade II listed Battersea Power Station. The character, which includes the town centre of Clapham Junction and the area around Clapham Common, is typified by a Victorian and Edwardian townscape with a large number of important listed buildings.*

However, the view provided with the text – below – is (apart from the **Grade I listed St Mary's Church**) dominated by modern housing, including tall blocks.



Caption: **'Battersea's mixed riverside frontage'**

Capacity for growth (p. 8)

An assessment was undertaken of the borough's **capacity for tall buildings** and small site development, **using the characterisation study as an evidence base. The assessment considers sensitivity and 'probability' of change together**, as set out in the methodology.

Sensitivity

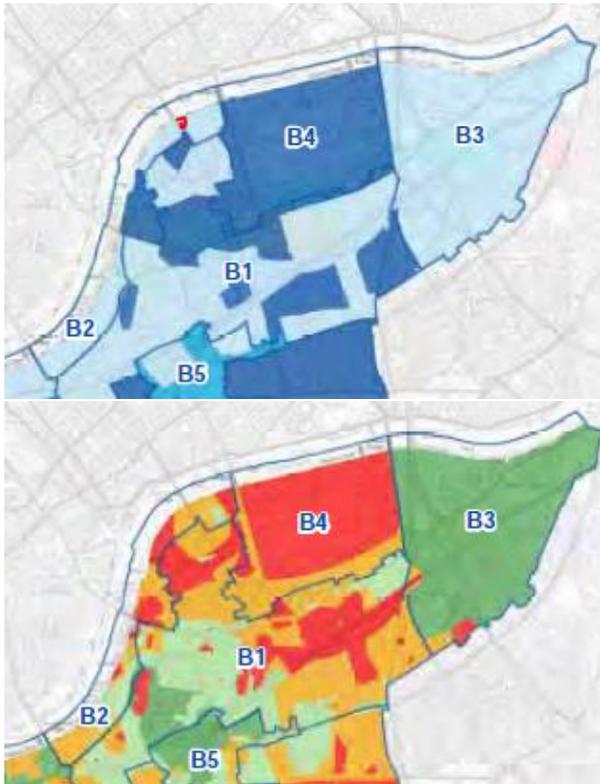
Areas with a lower sensitivity include estates within East Putney and Battersea; parts of Upper Richmond Road within Putney Town Centre; **stretches of Wandsworth Riverside** and the Wandle Valley; areas around St George's Hospital near Tooting; modern estates around Church Lane in Tooting; the supermarkets and car parking within Balham Town Centre; and the Nine Elms Opportunity Area.

The site is located in an area with 'lower' sensitivity (light blue: see the extract from the 'Sensitivity plan' (p. 8) below.

Probability of change (p. 9)

'Probability' of change (also known as 'likelihood' of change) is an assessment of how likely it is for different areas to come forward for development. **Factors which give rise to a higher probability of change include areas which are already designated for development [...]** **Areas with high levels of accessibility (i.e those with a high public transport accessibility level, or PTAL) also have a higher probability of change [...]** **On a site-by-site basis, there will be a number of factors that influence probability of change which generally covers much of the northern and south eastern extents of the borough.**

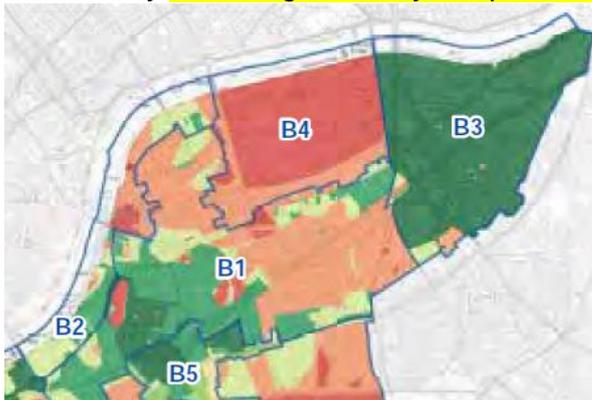
The site is located in an area with 'lower' sensitivity (light blue), and a 'lower/medium' probability (orange): see the extracts from their Fig. 12 below.



Extracts from **Sensitivity plan** (p. 8) top, and **Probability of change plan** (p. 9) bottom.

Development capacity (p. 10)

The development capacity of different parts of the borough for tall buildings is assessed by **combining sensitivity and probability of change together**.



Extract from **Capacity for Change plan** (p. 10)

Green and pale yellow areas **generally have a high probability of change or a lower sensitivity to change**.

According to the colour scale on the map the site – is pale yellow – which I assume equates to a ‘medium’ capacity for change. Battersea PS site is dark green – at the ‘higher’ level and Battersea Park is red at the ‘lower’ level.

The development capacity, existing tall buildings and consented tall buildings mapping helps to inform an overall strategy for development of increased height across the borough. [...]

[...T]he strategy for tall buildings focusing on the Nine Elms Opportunity Area, the five town centres (Balham, Clapham Junction, Putney, Tooting and Wandsworth), the River Thames frontage through Wandsworth and Battersea and known areas with emerging masterplans or major planning applications.



Extract from: **Strategy for mid-rise and tall building development across the borough** (p. 11)

The site is clearly included.

Tall building capacity (p. 12)

[...] The differences in character and sensitivity also mean that the height of a building for it to be considered "tall" varies. For the purposes of this study we have defined a tall building as:

Buildings which are 7 storeys or over, or 21m or more from the ground level to the top of the building, whichever is lower.

Using this definition, the opportunity map establishes, for each character area (and where relevant sub-areas), the prevailing existing building height and the specific tall building height. The accompanying criteria for each character area/sub-area which must be considered throughout the development of any tall building proposals.

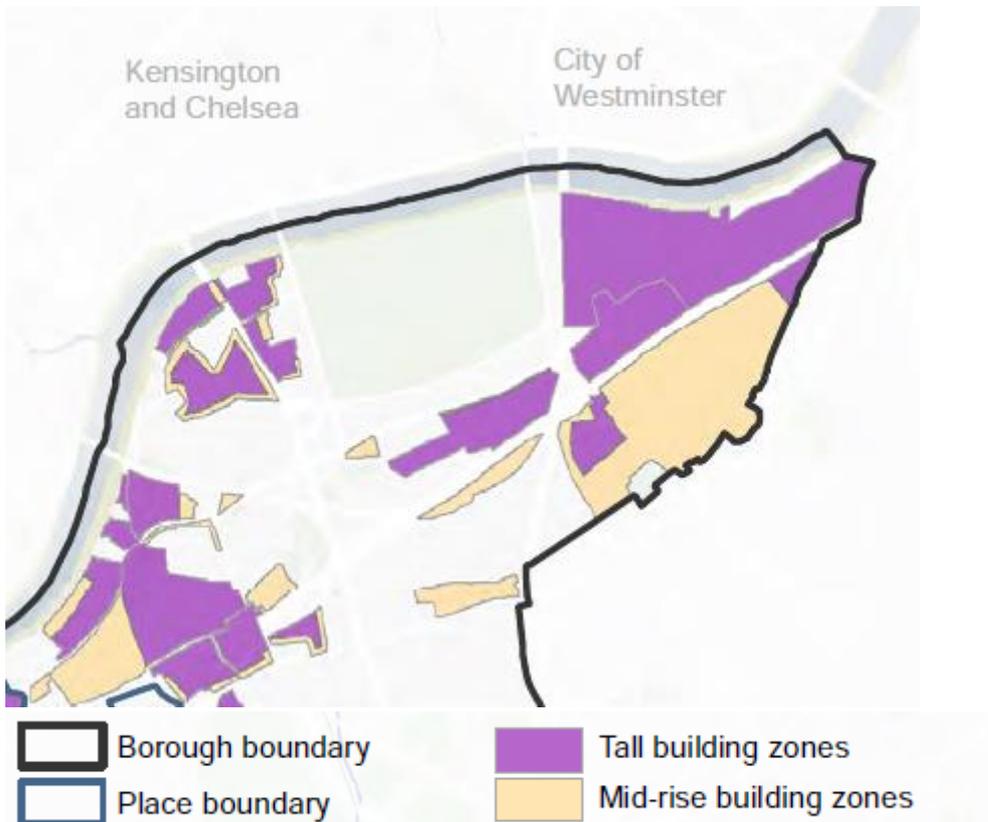
Overall, Wandsworth has capacity for tall buildings in a number of strategic and more local locations. Opportunities for tall buildings are generally concentrated within three different types of area:

1. Along the River Thames frontage including within the Nine Elms Opportunity Area: Here, until recently, commercial and industrial uses have dominated. There are opportunities for tall buildings to respond to the large scale and width of the riverside. However, the impact of riverside development goes well beyond the borough boundaries and therefore must continue to be carefully planned to protect the character of both banks and the overall historic and cultural importance of the River Thames as a globally recognised characteristic of London. Nine Elms is located within London's Central Activities Zone and is the site of significant tall building development

in recent years. In particular any proposals need to assess and avoid impacts on the Palace of Westminster and Westminster Abbey including St Margaret's Church World Heritage Site in the nearby City of Westminster on the northern bank of the Thames. Tall building applications in the Wandsworth riverside area would need to have particular regard to historically sensitive sites on the north bank such as Fulham Palace Scheduled Monument. A policy on character and design in relation to the River Thames and the Thames Path (or a sub-policy contained within the general policy) would be beneficial considering its importance shown through some of the character area assessments.

Two other areas include: 2. Within town centres, and 3. Within or adjacent to existing estates and emerging major regeneration masterplans

An area being designated as a tall building zone does not mean it has capacity to receive tall buildings within the appropriate range across the whole extent. Every new development will need to consider the specific context of the plot, existing buildings surrounding the plot and any other development proposals in the area including those going through planning, consented schemes and buildings under construction.



Extract from Tall and mid-rise building zones borough overview map (p. 14)

The site is included in between a 'mid-rise' and 'tall building zone' definition: the 'mid-rise colour apparently relating to the street frontage – suggesting that 'canyonisation' is to be avoided at the bridgehead. This is a modification of the original December

2020, which shows the purple shading spreading across the main road (see map details for comparison below):



Detail of 2021 plan above



Detail of 2020 Fig. 15: Tall buildings opportunity map

NB. An overview of 'appropriate heights' in Appendix A is based on existing heights rather than considering the landmark potential of our site. See below.

In the main body of the report, Section 3 considers the Character Areas in more detail.

B Battersea (pp. 54 – 71)

B1 Battersea Residential

B2 Battersea Riverside

B3 Nine Elms Mixed Use

B4 Battersea Park

B5 Clapham Junction Town Centre

B6 Clapham Common and Residential

B2 Battersea Riverside



Fig. 61 Battersea's mixed riverside frontage illustrating new and old landmarks in close proximity

Battersea Riverside follows the River Thames from Wandsworth Bridge to Battersea Park. It includes the Battersea Square Conservation Area: the historic settlement of Battersea. The riverside has been the focus for residential and mixed use redevelopment on former industrial sites.(p. 60)

NB. the photo included in this section contrasts with the 2020 version, in terms of both photo (relationship of St Mary's Church to its background) and title: the final 2021 version is more positive – apparently, the landmark tall buildings are no longer seen as 'competing':



Fig. 87: St Mary's Church nestled among competing landmark buildings on Battersea Riverside including towers in Battersea Residential

Mixture of uses including commercial, office, industry and residential flats. There are few leisure or entertainment destinations, and **much of the area feels 'private'**. Some historic industrial buildings have been sensitively re-purposed, such as the Royal Academy of Dance (4 storeys) which occupies a former warehouse. Other sites have been fully redeveloped. **There is an absence of activity or vibrancy along much of the riverside, except for around St Mary's churchyard open space. The area ranks relatively poorly in terms of public transport accessibility.**

Coarse urban grain, with large scale buildings (except for Battersea Square Conservation Area), **a mixture of modern and older buildings**, as well as trading estates and car dealerships on Lombard/York Road, which have little distinctiveness. **A mixture of building heights: buildings fronting the river rise to 18 storeys high, whilst around Battersea Square they are mainly 2-3 storeys, and provide positive frontage. The differences and diversity of architectural materials and styles result in incoherent character, with little sense of historic character outside Battersea Square Conservation Area.**

Landmarks include:

- Church of St Mary (grade I listed) and Church of the Sacred Heart (grade II listed);
- **modern buildings (not necessarily all positive);**
- Albert Bridge (grade II*), Battersea Bridge (grade II), and Cremorne Bridge (grade II* listed);
- the former Sir Walter St John School (now Thomas's Preparatory School), dating from 1700 (grade II);
- the former Raven inn on Battersea Square with its distinctive Dutch gables and quoins.

An urban feel, with limited tree cover or open space and **often uninviting public realm**, with the exception of the Battersea Square Conservation Area including St Mary's churchyard and Vicarage Gardens and nearby street trees on Vicarage Crescent. Brick walls fronting the road here add historic character and help to define the street. **The River Thames provides a sense of openness** and richness from the houseboats near St Mary's Church.



Extract from **Fig. 70: B2 Battersea Riverside character area plan** (p. 69)

Valued features (p. 62)

[...]

- **The River Thames, for its sense of openness and access along the Thames Path, a well-used walking and running route; and proximity to Battersea Park.**

[...]

- **Valued views, including the view from Battersea Bridge and from the riverside promenade, looking east downstream to Albert Bridge (listed grade II*) (Fig. 73), as described in the Local Views SPD.**



Fig. 73: View from the riverside promenade looking downstream to the listed Albert Bridge

Other views and vistas of interest include:

- views across the Thames into RB Kensington & Chelsea with trees and historic buildings providing a scenic backdrop;
- views up and down the river, such as the stretch from the quay around the slipway adjacent to St Mary's Church to the houseboats, and from Vicarage Gardens;
- view of St Mary's Church from Battersea Square and from Battersea Church Road.

Negative qualities (p. 62)

- Some imposing landmark buildings which due to their large massing appear monotonous and lack a local distinctiveness.

[...]

- Incongruous elements with awkward juxtapositions fragment the character, e.g. the Monteveto building which dominates the views around St Mary's Church Church; the 1970s flats on the riverside west of Vicarage Crescent whose layout, form and scale contrast with and detract from the character of Battersea Square Conservation Area;

[...]

- Poor legibility, particularly east-west access to the river.
- Highly developed, monotonous frontage to the northern bank of the Thames within LB Hammersmith and Fulham.

Sensitivity (p. 63)

Much of the riverside has been redeveloped, leaving limited opportunity for further growth. However, some of the 1960s-70s residential developments are low-rise and provide poor address to the riverfront. If any of these sites were to be redeveloped, additional height could be accommodated as long as development provides additional public open space around the river and respect the area's valued features, and:

- the area's role as a visual backdrop and setting to the river in views from RB Kensington & Chelsea;
- the setting and views in and around Battersea Park;
- the historic character (both medieval and industrial).

Sensitivity

An assessment of the character area sensitivity considering its relative value and susceptibility to the types of changes likely to occur in the area.

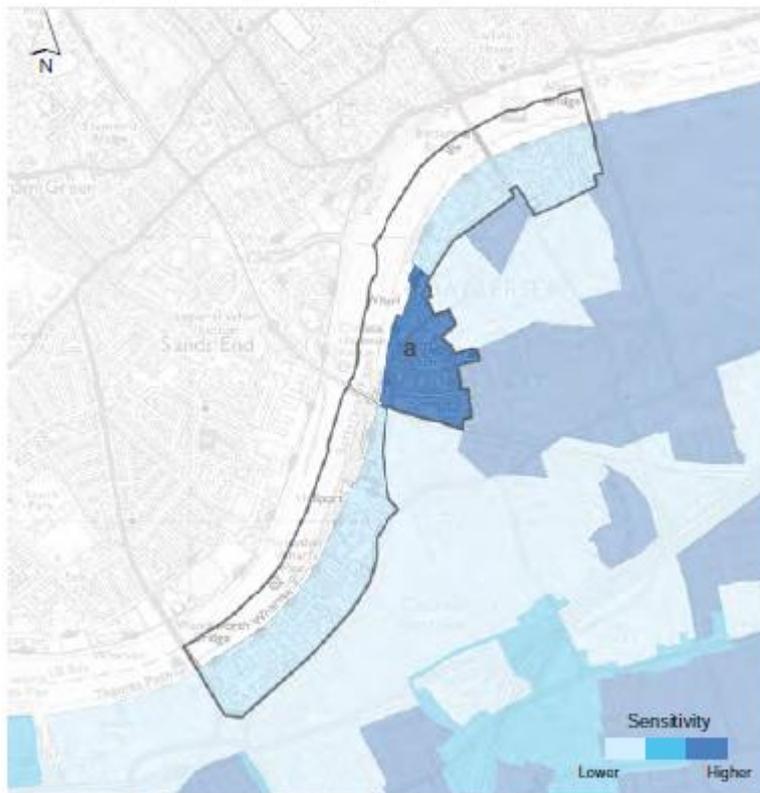


Fig. 74: B2 Battersea Riverside sensitivity plan

The caption to Fig. 74 states that: 'Overall, Battersea Riverside has a low sensitivity to change with potential for targeted growth, with the exception of Battersea Square Conservation Area, which has high sensitivity'.

NB. The 2020 version states that Battersea Riverside 'has a medium sensitivity to change'.

Character area design guidance

An overview of design principles to help achieve the strategy above. See Appendices A and B for guidance on tall buildings and small sites.

- Aspire to creating a continuous, connected and legible Thames Path route along the river, linked to an enhanced movement strategy to improve connectivity with the wider area - particularly east, including improved crossings over Lombard and York roads and linking to Clapham Junction.
- Create references to historic pattern, uses and elements where possible to bring coherence, legibility and integrity to the character area.
- Respect and restore historic elements, including St Mary's Church and surrounding green space, but also Victorian industrial buildings.
- New development should have a distinctive character that creates remarkable landmarks. It should provide excellent and inviting public realm

as part of a coherent strategy rather than spaces between buildings. Active frontages to the Thames Path should be provided.

- Preserve linear views along the river.
- Retain the mixed uses including restaurants, cafés and pubs around Battersea Square to maintain a sense of activity and vibrancy.
- Develop and enhance the sense of place and focus at Plantation Wharf to aid legibility and quality of experience at this part of the river.
- Consider a wider public realm or cultural strategy to create a sense of coherence between the many different elements along the riverside.
- Encourage a mixture of uses to increase activity and vibrancy along the riverside.

Section 4: Capacity for Growth (pp. 160- 209)

4.1 Introduction

This section of the report considers the capacity for growth in the borough (specifically in relation to tall buildings) using the findings of the characterisation study.

[...]

In line with the London Plan, the borough of Wandsworth has developed a local definition of a tall building to be applied across the borough. A tall building is defined as:

"Buildings which are 7 storeys or over, or 21m or more from the ground level to the top of the building, whichever is lower".

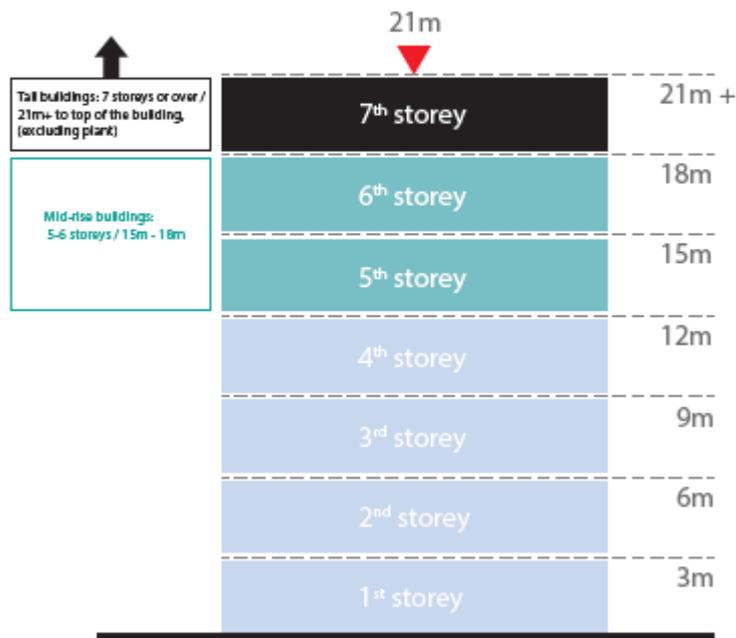


Fig. 211: Definition of a tall and mid-rise building for Wandsworth

It should be noted that this study has been prepared in the context of a new London Plan (2021) and the new emerging Local Plan for Wandsworth. The study follows a design-led approach to identifying tall buildings and is not intended to provide evidence to support buildings which have gone through previous planning processes.

Refer to **Section 4.5** for tall building zones and further details on appropriate building heights, in principle, for these areas. (p. 161)

NB. Section 4.5 Tall buildings (p. 173) refers to **Part B of Policy D9 of the London Plan**. The ARUP report continues by stating that:

Fig. 220 on the following page presents an overview map of zones with potential to accommodate tall buildings, in line with the London Plan. Each zone is supported by a description of the appropriate tall building height range for that zone.

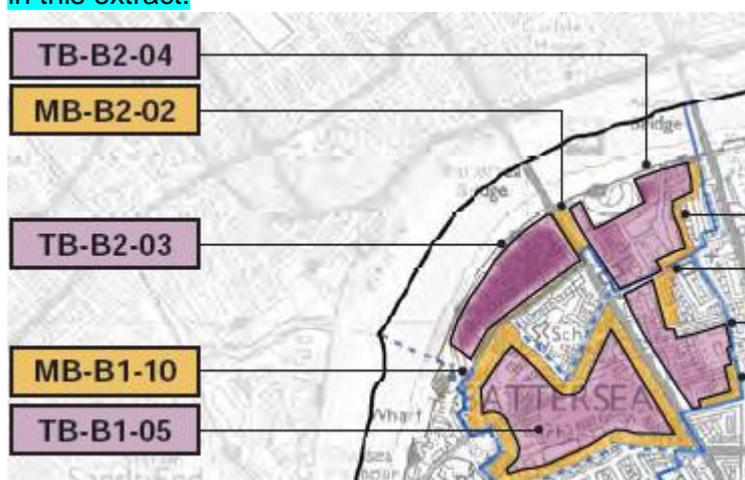
Evidence and information to support the conclusions is contained in **Appendix A**. The tall building zones have been defined through an analysis of whether they would impact the townscape, local views and nearby heritage assets positively, negatively or neutrally. This assessment has been undertaken using three core types of information depending on the specific zone:

- analysis of existing tall buildings;
- analysis of consented tall buildings or area masterplans; or
- analysis of scenarios prepared specifically for this study.

4.5.2 Borough-wide findings for tall buildings

Overall, Wandsworth has capacity for tall buildings in a number of strategic and more local locations. An overview of these locations is shown on **Fig.220**.

Appendix A, **Fig. 244** (p. 218) identifies the site and adjacent zones as illustrated in this extract:



The site and its locality are further identified on the maps at pages 201 and 228 of the ARUP report. The site is labelled as site MB-B2-02 in the map on p. 201, with a shading indicating it is suitable for mid-rise buildings up to 6 storeys (18m). However, unlike 10 other sites that were selected for testing, there are no accompanying study for the Promontoria Battersea Limited site or those sites on either side labelled in the study as TB-B2-03 or TB-B2-04:

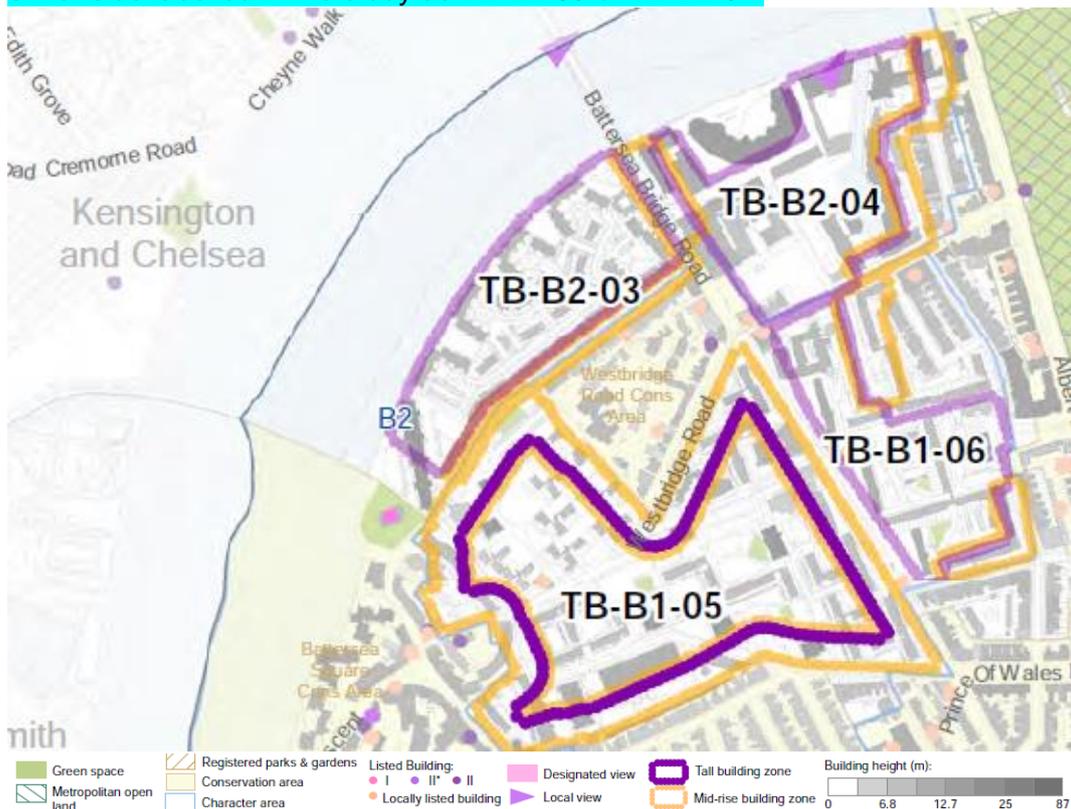


Fig. 265: TB-B1-05 context map

For the flanking areas identified as suitable for tall buildings there is simply an overview provided of what are considered to be appropriate heights at Table 2 on p. 213, as follows:

Zone	Place	Character area	Appropriate height range (storeys)	Appropriate height range (m)	Justification
TB-B1-03	Battersea	Battersea Residential	7 to 20	21 to 60	Analysis of scenario
TB-B1-04	Battersea	Battersea Residential	7 to 12	21 to 36	Analysis of existing buildings

Wandsworth Local Plan Publication (Regulation 19) Consultation Version (January 2022)

03 Placemaking – Area Strategies

PM9 Riverside Place Based Policy

Map 3.1 (p. 43) – The site of 1BB is in UDS Character Area zone B2

Map 3.2 (p. 46) – there is no ‘Site Allocation’ for 1BB.

PM9 Wandsworth's Riverside

A. Placemaking

1. *New development should conserve and enhance the elements and existing features that contribute to Putney Riverside's strong character, distinctive sense of place and high-quality townscape. Proposals should:*

- a. respect the scale and proportions of the existing period buildings and streetscape which is fundamental to the character of the area;*
- b. protect the openness and framing of vistas towards the river, along Putney Embankment;*
- c. maximise use of natural materials to integrate with the quality and natural feel of the existing townscape - including stone, timber, period brickwork and planting; and*
- d. ensure good maintenance of building façades, particularly where they present an active frontage to the Thames Path;*
- e. provide high-quality public realm, including street furniture which is distinctive to the area; and*
- f. contribute to the valued leisure functions, including water uses, walking and cycling.*

[...]

3. *Where appropriate, development proposals should:*

- a. retain, respect and restore the historic elements of St Mary's Church, Battersea, and surrounding green space.*
- b. enhance the sense of place and focus at Plantation Wharf to aid legibility and quality of experience at this part of the river.*

4. Development proposals for tall or mid-rise buildings in Wandsworth's Riverside will only be supported in zones identified in Appendix 2. Any proposal for a tall or mid-rise building will need to address the requirements of Policy LP4 (Tall and Mid-rise Buildings) as well as other policies in the Plan as applicable.

5. Development proposals will be required to respect and enhance the views and vistas established in the Urban Design Study (2021).

6. Opportunities to enhance the experience and quality of the public realm through carefully considered, well designed proposals that can create beautiful, high-quality, well-designed, accessible, and inclusive public spaces are encouraged. These should provide elements that encourage dwell time, such as seating, parklets and public art, which facilitate community and cultural use. Proposals should use imaginative landscape design that can contribute to the greening of these spaces.

[...]

Policies Map Changes Document (January 2022)

3.2 Local Views

3.2.1 Definition

Six Local Views, as established through the Local Views SPD, are proposed to be added to the policies map.

View 1: Upstream from Putney Bridge

View 2: Downstream from Battersea Bridge

View 3: Downstream from Albert Bridge

View 4: Battersea Power Station from Chelsea Bridge

View 5: From Queenstown Road to Battersea Power Station

View 6: Battersea Power Station from Battersea Park

Only View 2 is relevant to 1BB:

View 2: Downstream from Battersea Bridge

View 2: Downstream from Battersea Bridge



Figure 24 View 2: Downstream from Battersea Bridge

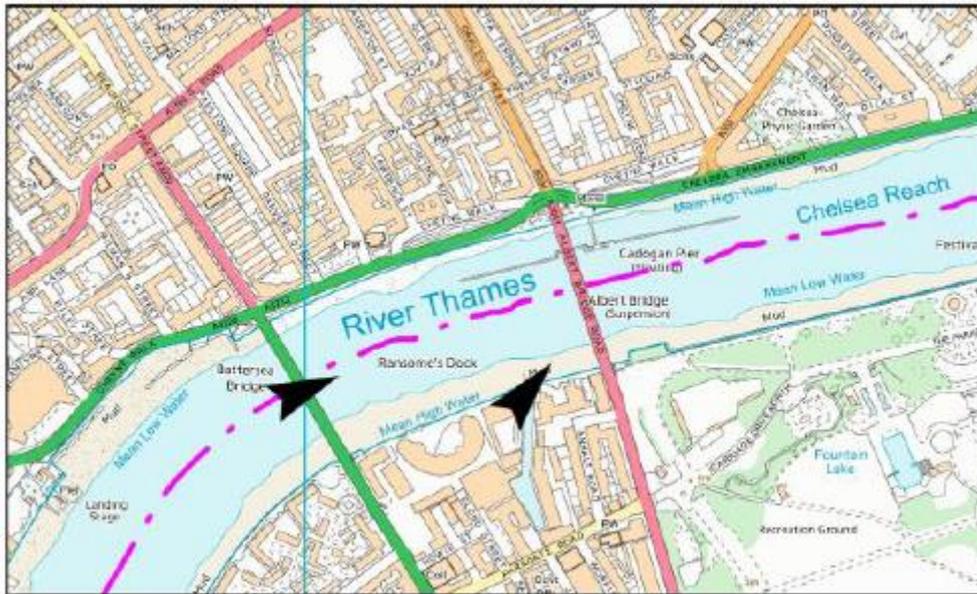


Figure 25 Viewing points for View 2

The site of 1BB is located out of shot, but immediately to the right of the illustrated photographic view. However, two separate view locations are indicated of the associated plan – the second from the Thames Path outside F+P's offices. The description states:

This view focuses on the grade II* listed Albert Bridge. It was designed by R M Ordish in 1873 as a Cable Stayed bridge partly suspended and partly cantilevered. The bridge represents a local landmark, and is a feature at night with its myriad of lights illuminating the crossing of the River Thames. There are two main viewing locations, from Battersea Bridge and from the Riverside Walk near Ransome's Dock.

Foreground: This is represented by the open water viewed from Battersea Bridge. Any additional in-channel development could affect the view of Albert Bridge.

Middle Ground: Albert Bridge represents the focus of the view with its connections to the north and south banks of the River Thames. The frontage development to the river helps to frame the view of the bridge. The bridge is painted which enhances its visibility by day against the backcloth of buildings. The night time view is spectacular with the bridge illuminated by around 4000 bulbs to the cables and towers making it a striking landmark.

Background: The filigree-like framework of the Cable Stayed bridge allows views through it which highlights its shape against the background. Any development within the channel or additional river crossings behind the bridge would compromise the view. The development of One Nine Elms (58 and 43 storeys) will appear to the right of the Vauxhall Tower, as well as the emerging proposals for the New Covent Garden Market site. The impact of any proposed pedestrian/cycle bridge across the River Thames beyond Chelsea Bridge on this view will need to be evaluated as and when a scheme comes forward. (pp. 30-1)

The Reason for Inclusion of these 6 views is stated at the end of the views section, at para 3.2.2 that:

3.2.2 Reason for Inclusion

The designation is proposed to be included to support the implementation of policies LP1 The Design-Led approach; LP3 The Historic Environment; LP4 Tall and Mid-Rise Buildings. Although the Local Views were established through the Local Views SPD, they were not shown in the policies map. London Plan Policy HC3 (Strategic and Local Views) stipulates that clearly identifying local views in Local Plans and strategies enable the effective management of development in and around the views, and therefore it is proposed to include the Local Views in the policy map. (Tavernor underlining: pp. 36-7)

As the site of 1BB is not directly visible in any of these 6 views its impact on policies LP1 The Design-Led approach; LP3 The Historic Environment; LP4 Tall and Mid-Rise Buildings should therefore be assumed to be limited.

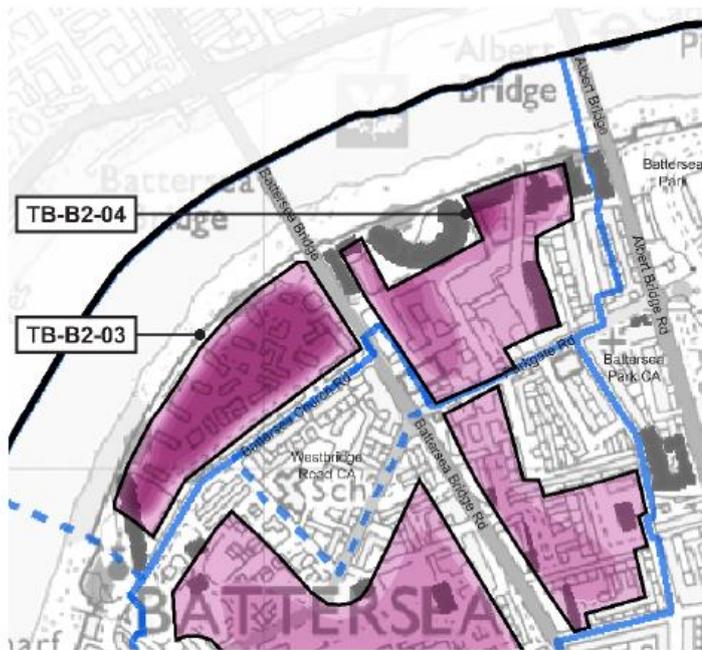
3.3 Tall Building zones

3.3.1 Definition

Buildings which are 7 storeys or over, or 21 metres or more from the ground level to the top of the building (whichever is lower) will be considered to be tall buildings. Tall building zones show locations where tall buildings will be an acceptable form of development and identify an appropriate height range for each zone.

Figure 36 (p. 40) maps out all the Battersea Tall Building Zones, and Fig. 43 (p. 44) focuses on the area immediately around 1BB, referred to as zone TB-B2-04, for which the appropriate height is proposed as 7-12 storeys (21-36m). The site of 1BB is not included in the shading for this zone.

TB-B2-03 and TB-B2-04



Existing prevailing height: 3-18 storeys

Appropriate height: 7-12 storeys (21-36m)

The Reason for Inclusion of these Tall Building zones maps is stated at para 3.32 that:

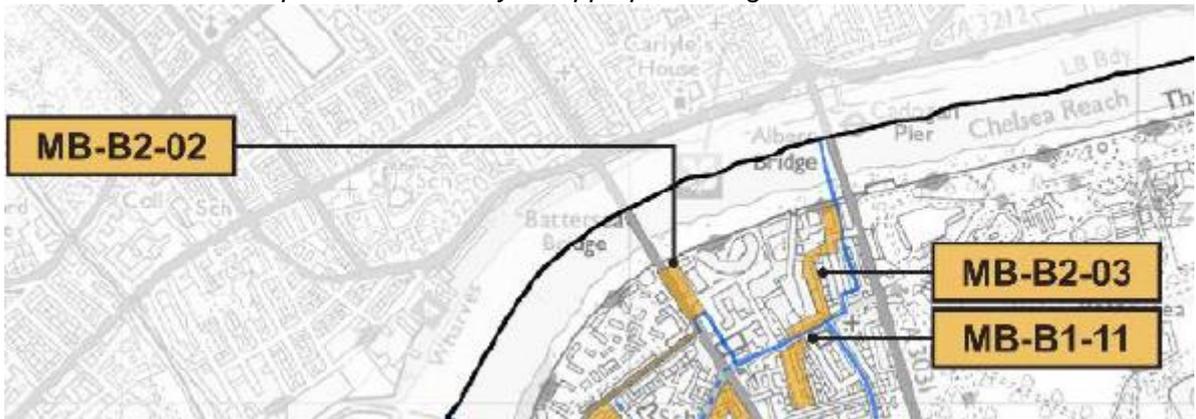
3.3.2 Reason for Inclusion

In accordance with Policy D9 of the London Plan, Development Plans should: (1) define what is considered a tall building; (2) define locations where tall buildings may be an appropriate form of development; and (3) define appropriate tall building heights for any such locations. The designation therefore seeks to address the requirements of the London Plan and support the implementation of Policy LP4 (Tall and Mid-rise Buildings).

3.4 Mid-rise Building zones

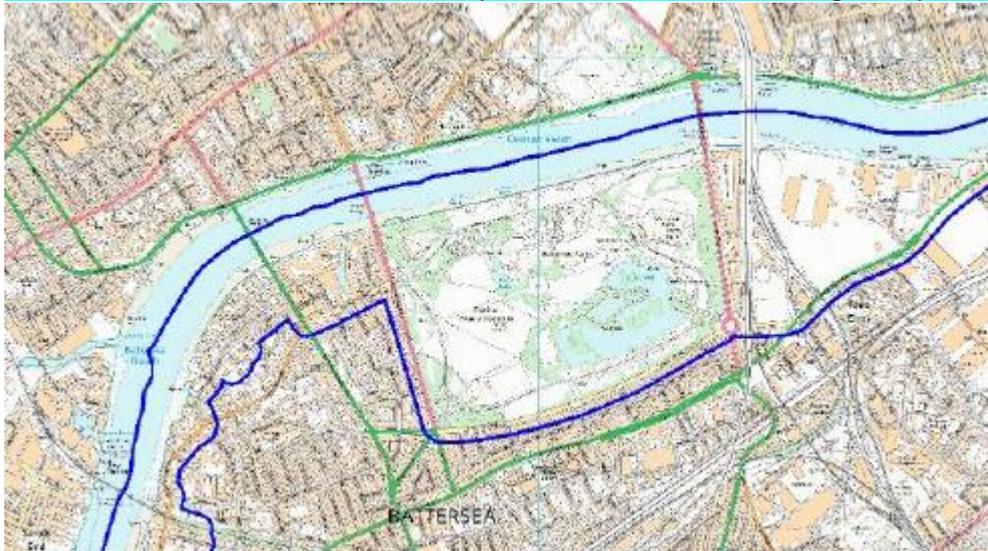
3.4.1 Definition

Buildings which do not trigger the definition of a tall building set out in Part A, but are 5 storeys or over, or 15 metres or more from the ground level to the top of the building (whichever is lower) will be considered to be mid-rise buildings. Mid-rise building zones show locations where mid-rise buildings will be an acceptable form of development and identify an appropriate height for each zone.



The extract of part of Figure 66 (p. 61), above, Battersea Mid-rise Building Zones, appears to identify the 1BB site as only appropriate for mid-rise building.

Figure 78 (p. 72) defines the Wandsworth Riverside Spatial Strategy Area, which includes the site at 1BB. The relevant part is extracted from the larger map below:

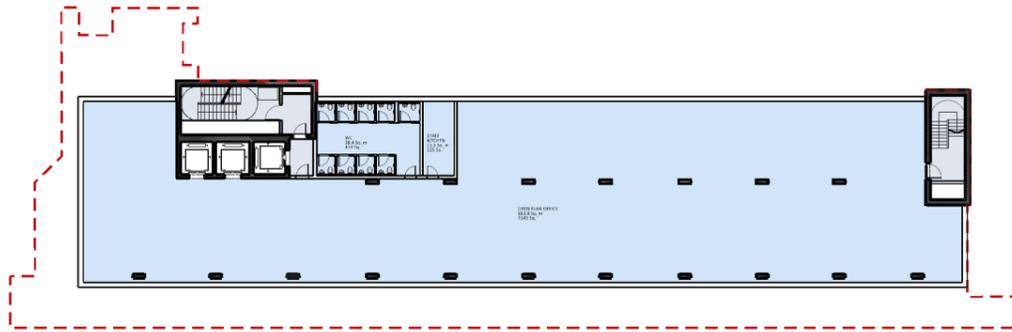


3.7.2 Reason for Inclusion

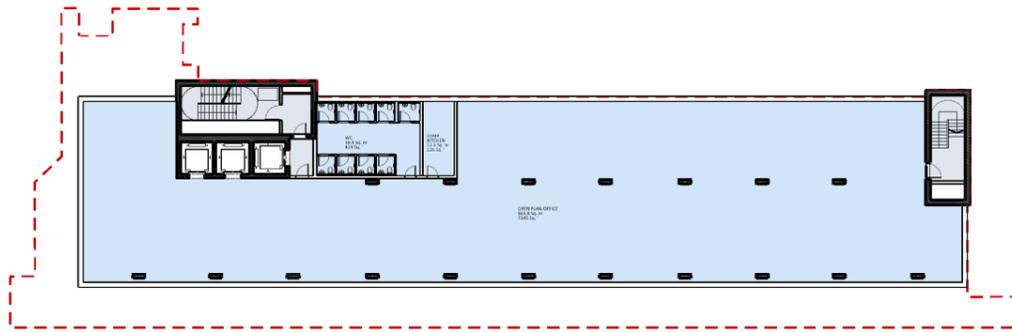
Each spatial area boundary identifies the area where the corresponding Placemaking Policies are expected to apply to. For several spatial areas they overlap with Overarching Spatial Area boundaries and for these all Placemaking Policies are to apply.

Appendix 2: Indicative Development Options

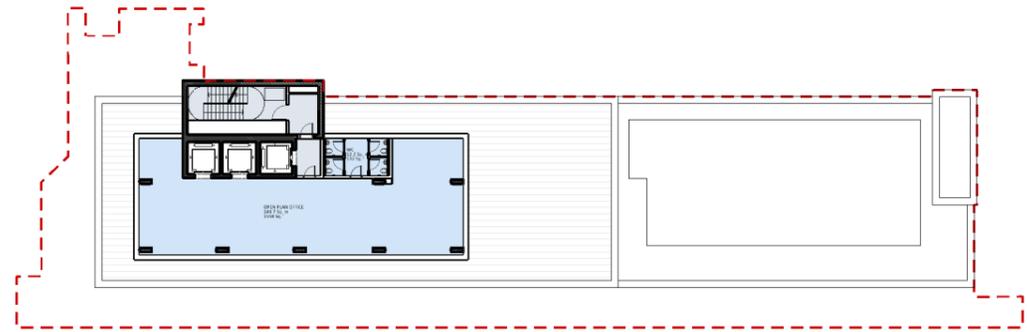
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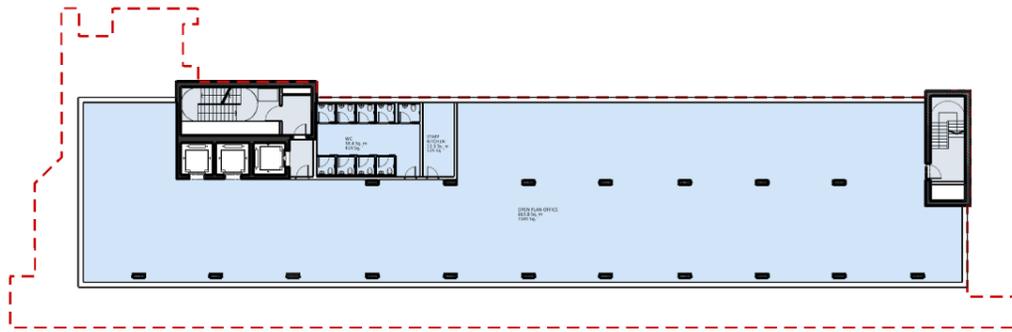
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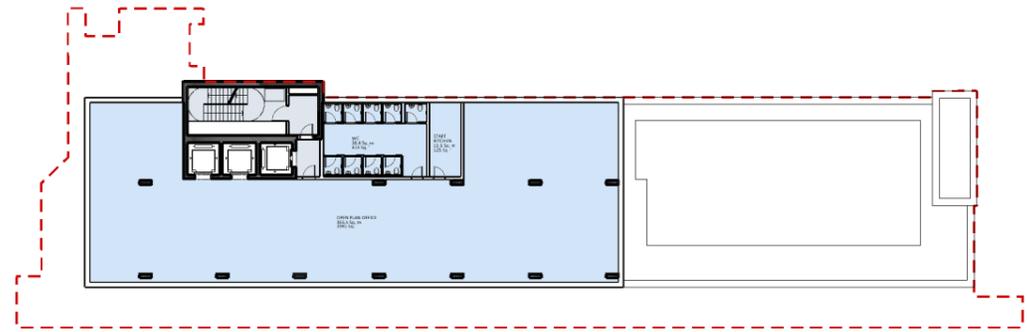
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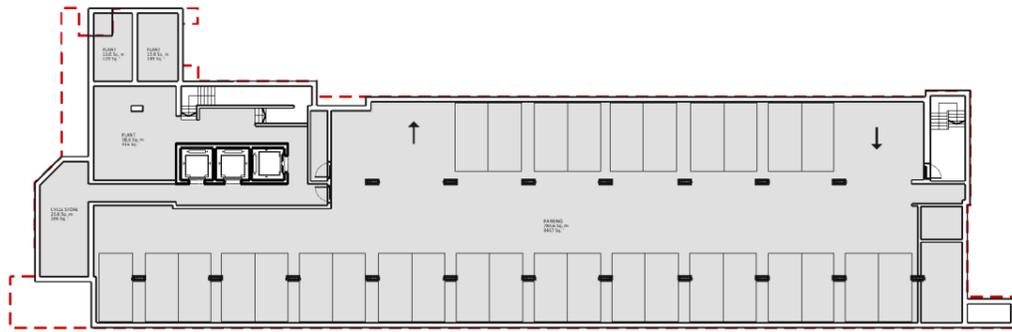
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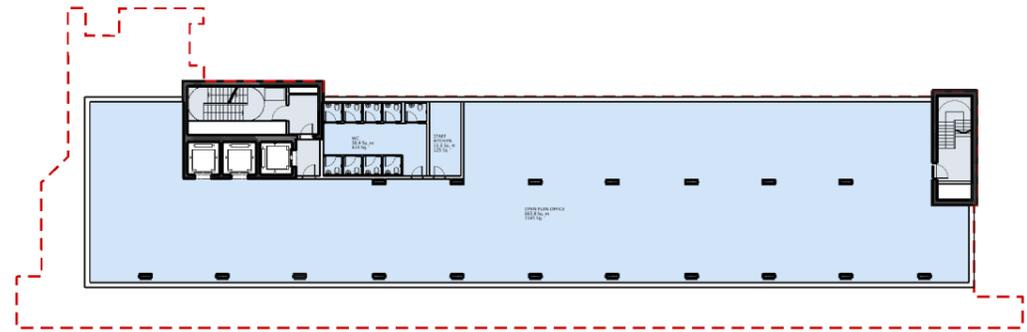
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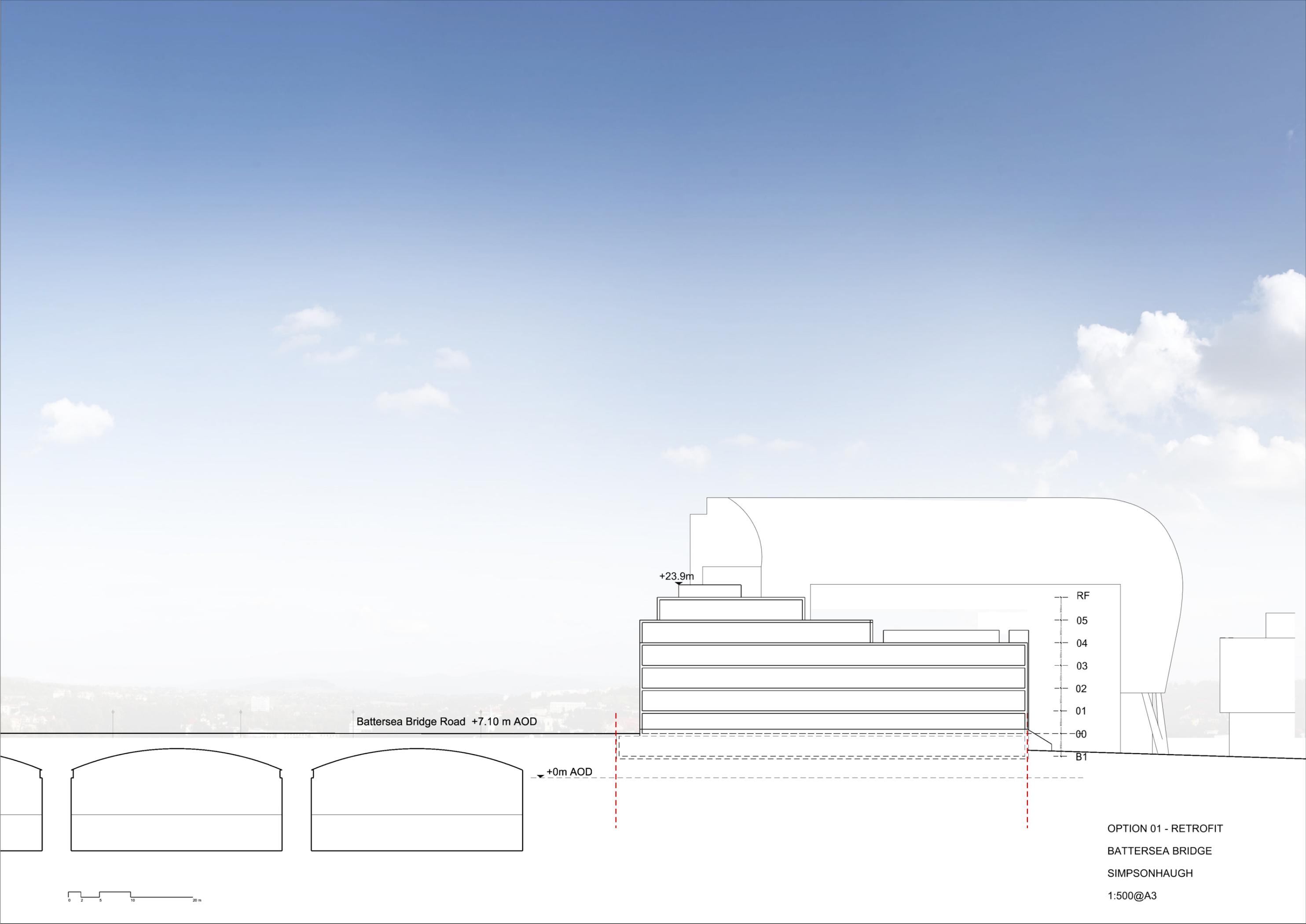
B1



03



OPTION 01 - RETROFIT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+23.9m

+0m AOD

RF

05

04

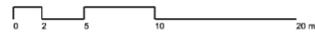
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01

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B1



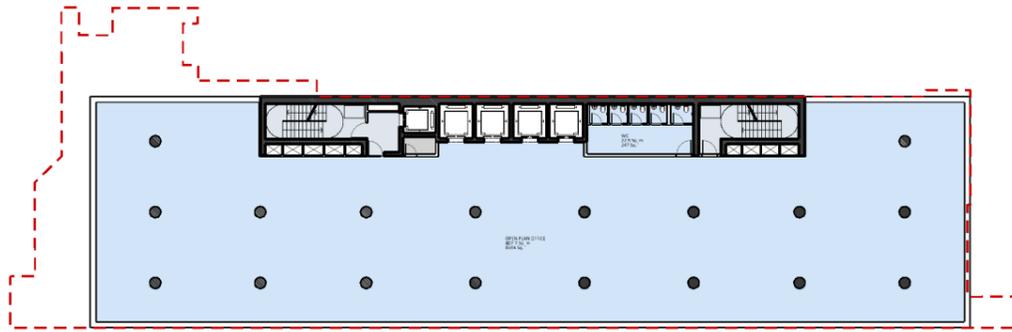
OPTION 01 - RETROFIT

BATTERSEA BRIDGE

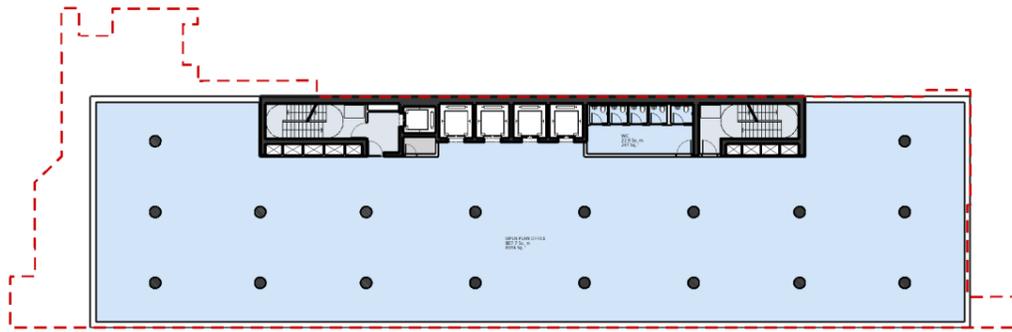
SIMPSONHAUGH

1:500@A3

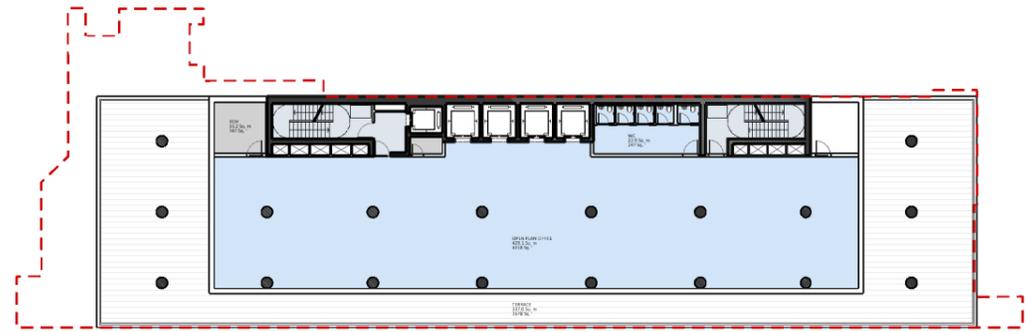
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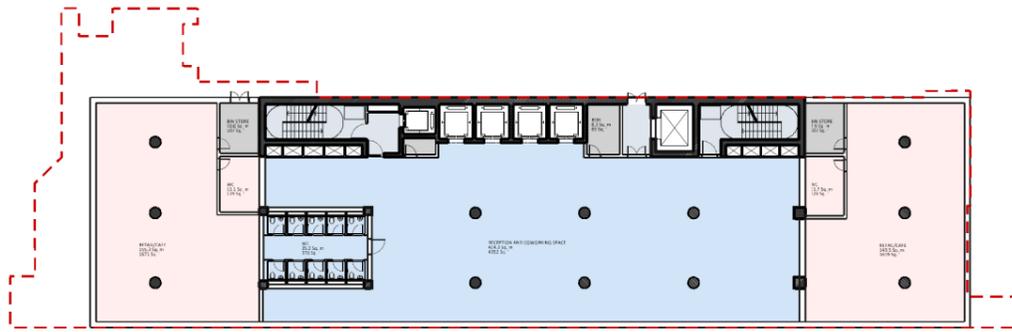
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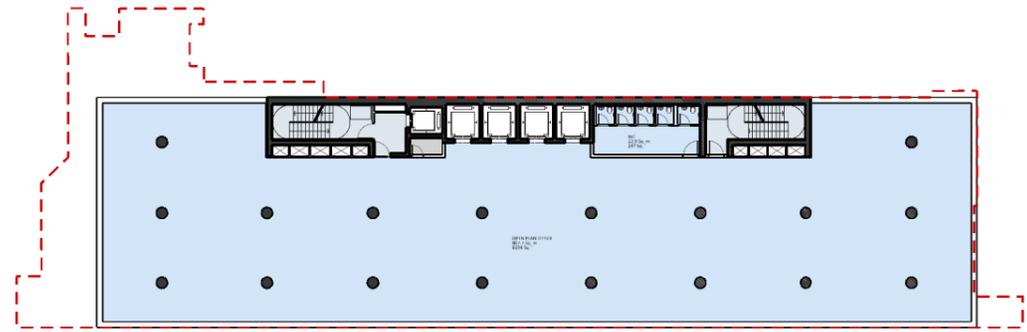
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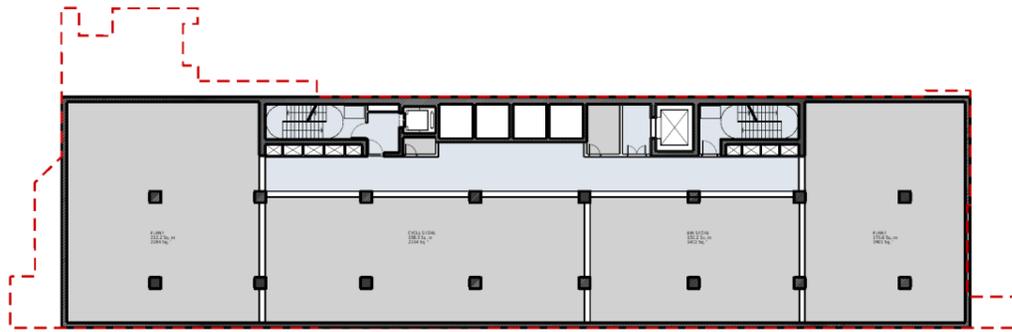
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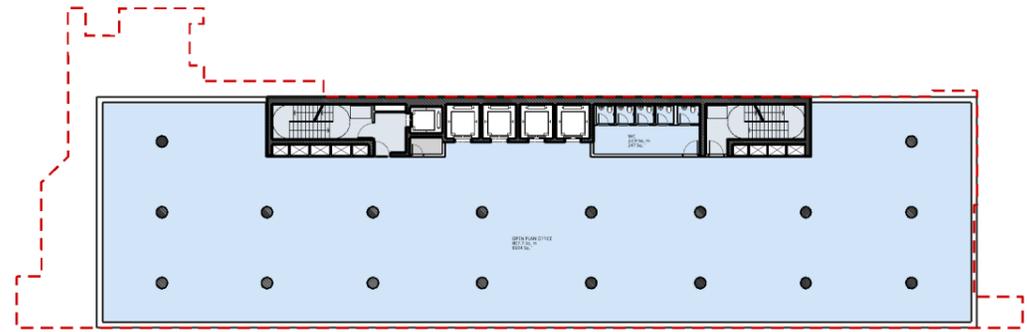
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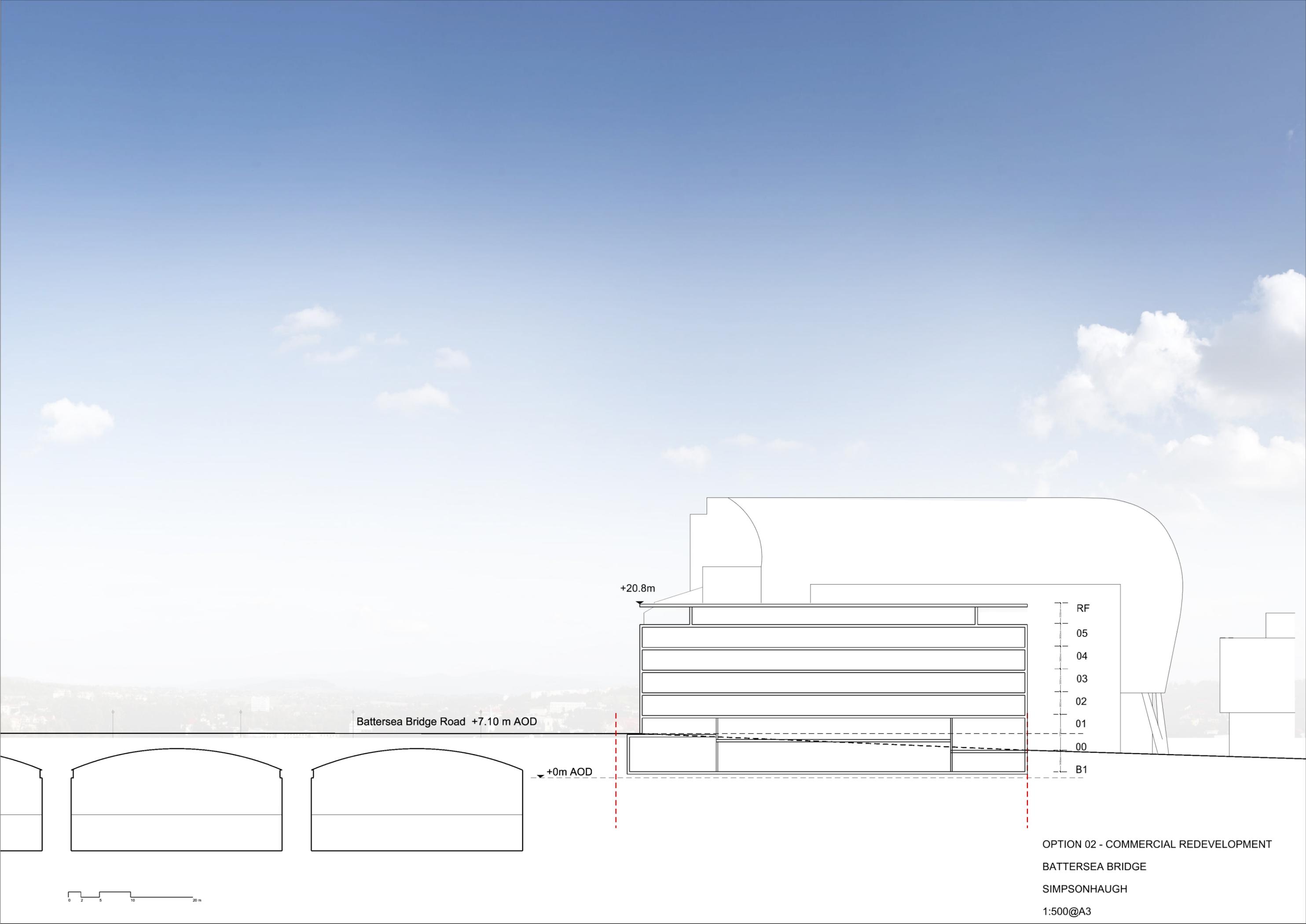
B1



03



OPTION 02 - COMMERCIAL REDEVELOPMENT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+20.8m

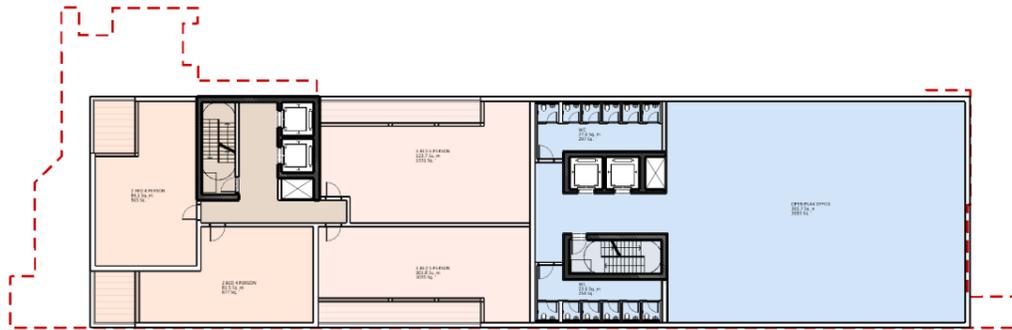
+0m AOD

RF
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03
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01
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B1

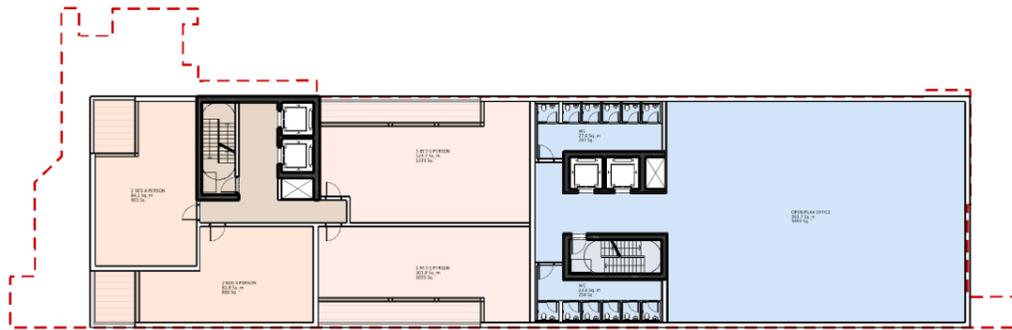
OPTION 02 - COMMERCIAL REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
1:500@A3

0 2 5 10 20 m

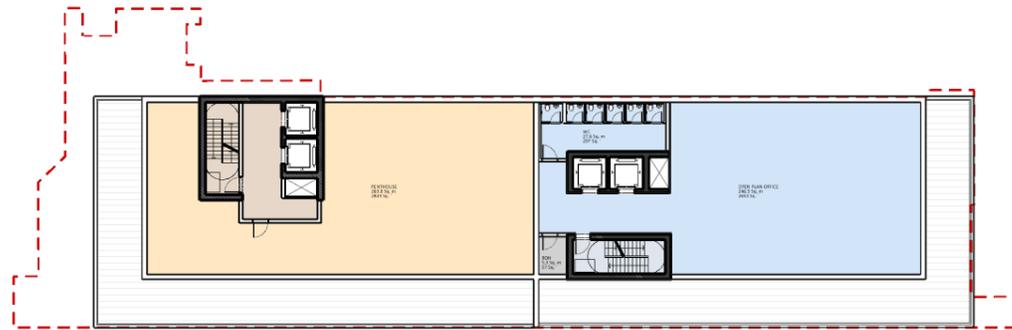
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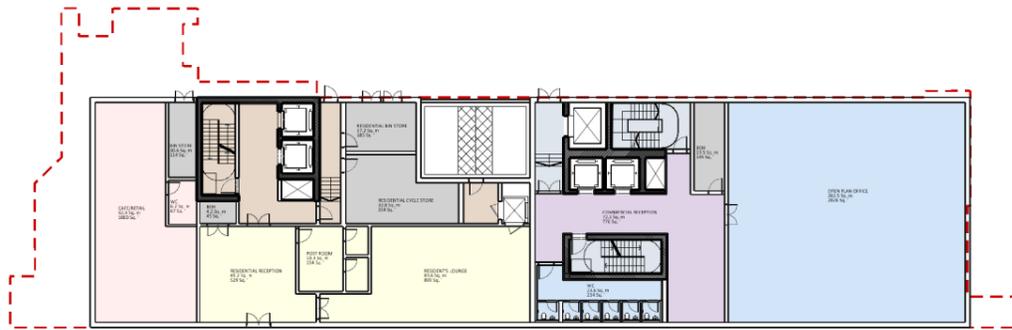
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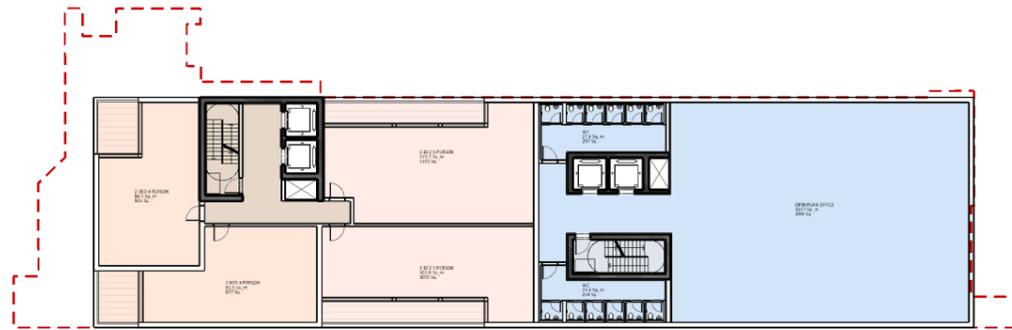
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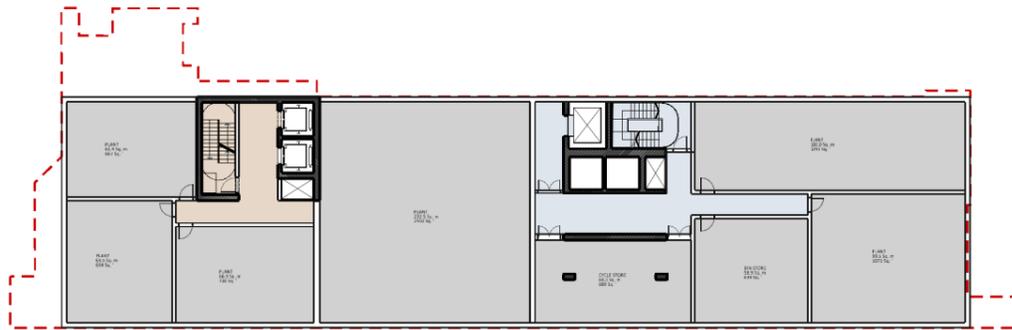
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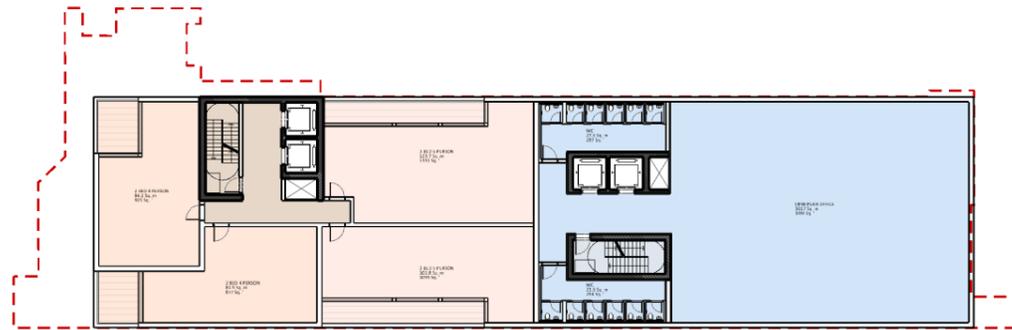
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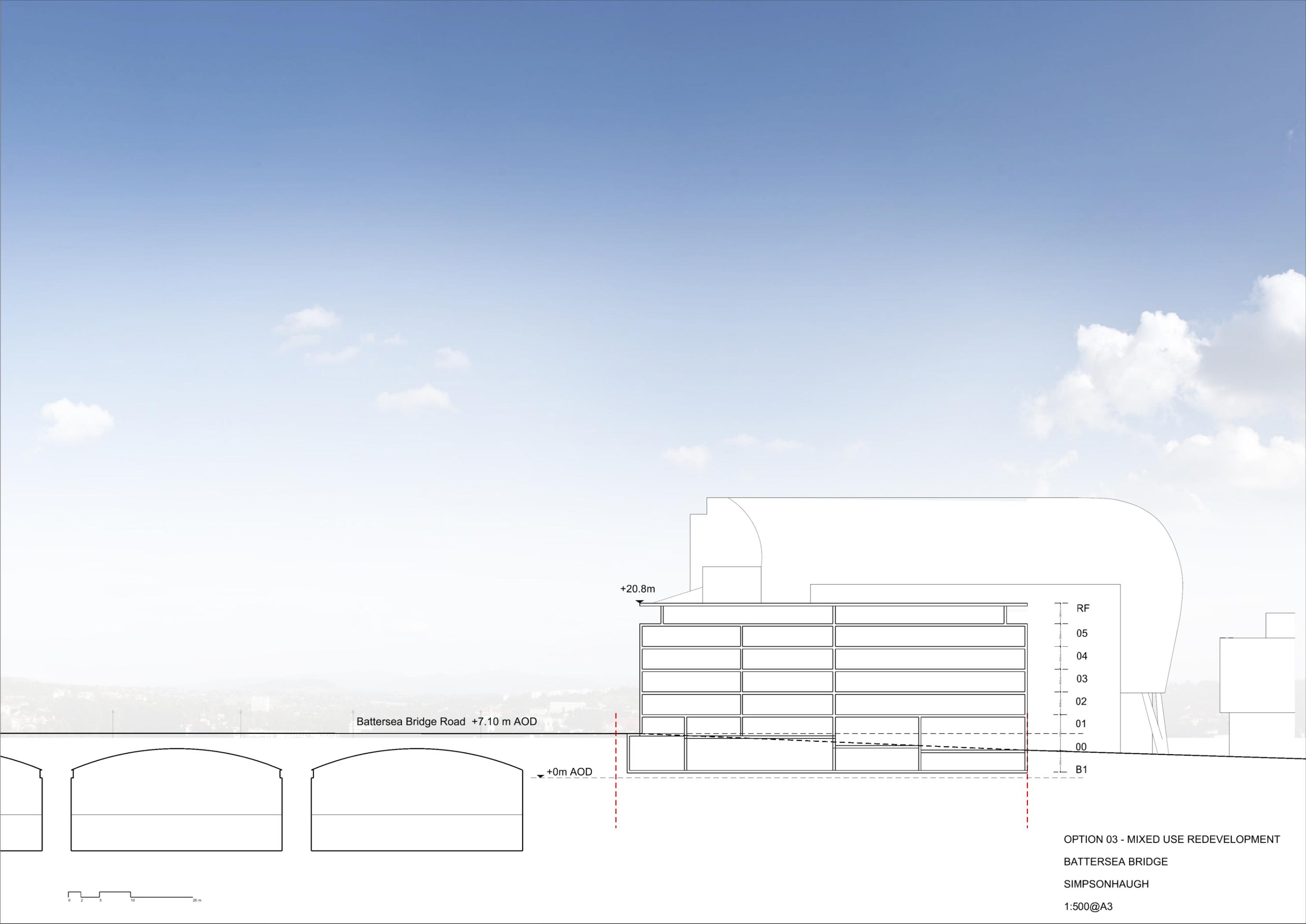
B1



03



OPTION 03 - MIXED USE REDEVELOPMENT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+20.8m

+0m AOD

RF
05
04
03
02
01
00
B1

OPTION 03 - MIXED USE REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
1:500@A3

0 2 5 10 20 m

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
									Residential Demise				Commercial Demise			
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

Option 03 Total	
GIA (sqft)	69710
NIA (sqft)	42510

Option 01 Retrofit	-	Commercial	NIA (sqm)	663.8
	-		NIA (sqft)	7145
Option 02 Commercial Redevelopment	-	Retail/Café	NIA (sqm)	304.8
	-		NIA (sqft)	3281
	-	Commercial	NIA (sqm)	404.3
	-		NIA (sqft)	4352
Option 03 Mixed Redevelopment	Residential Demise	Retail/Café	NIA (sqm)	92.9
			NIA (sqft)	1000
	Commercial Demise	Commercial	NIA (sqm)	262.5
			NIA (sqft)	2826
		Lobby Area	NIA (sqm)	72.1
			NIA (sqft)	776

Option 03 - Unit Breakdown				
Floor	Unit Number	Unit Type	sqm	sqft
01	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.8	880
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
02	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
03	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
04	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
05	Unit 1	Penthouse	263.8	2840
Total			1828.5	19682

NIA excludes back of house and support areas, circulation, and WCs.

AREA SCHEDULE
BATTERSEA BRIDGE
VIABILITY OPTIONS
SIMPSONHAUGH

Appendix 3: Financial Viability Report

28th February 2022

Planning Policy
Environment and Community Services
Town Hall
Wandsworth High Street
London
SW18 2PU

Dear Sir/Madam,

London Borough of Wandsworth Regulation 19 draft Local Plan representations.

Introduction

These representations are prepared by DS2 on behalf of Rockwell Property (“the Landowner”) for One Battersea Bridge Road (“the Site”). The representations have been prepared in relation to London Borough of Wandsworth (“LBW” or “the Council”) Regulation 19 draft Local Plan representations.

This evidence has been prepared to assess the feasibility of development at the Site in response to modifications to the Local Plan made since Regulation 18 consultations, as well as pre-application meetings held between LBW and the Landowner.

As part of LBW’s Regulation 18 ‘Pre-publication’ Local Plan published November 2020 the Site was categorised as falling within an opportunity area for tall buildings. Tall buildings are described as those that are 7 storeys or taller, or those that are 50% higher than the prevailing height of the character area/sub area. However, following the publication of Regulation 19 Draft Local Plan for public consultation in January 2022, the Site has been excluded from the opportunity area for tall buildings and is now located within an area designated for mid-rise buildings. Therefore, development at this Site would be restricted to the definition of “mid-rise” which is 6 storeys or 18m in this location, whichever is lower.

The purpose of this representation is therefore to consider the viability of any potential development of the Site restricted to within 6 storeys as outlined in the Regulation 19, thereby testing the deliverability and soundness of the draft Local Plan in regard to the subject Site.

The following letter has been collated in accordance with national and regional planning policy, guidance, and RICS professional guidance on viability matters. In preparing this representation we have also reviewed the evidence base that accompanies the Regulation 19 Statement which has been prepared by Porter Planning Economics with Three Dragons. This evidence also benefits from DS2’s considerable experience in planning viability matters both in Wandsworth and across London as a whole.

This is an objective and impartial view of the feasibility of redeveloping the Site for development of a similar scale to that which already exists.

As set out in national planning guidance, the drafting of Local Plan policies should be iterative and informed by engagement with stakeholders, such as landowners. We therefore look forward to discussing with the LBW the conclusions of this viability testing exercise, and consequentially, the Landowner's suggested modifications to the draft Local Plan.

Background

The Site is located to the east of Battersea Bridge Road, with the Thames Path and River Thames directly to the north and Hester Road running along the Sites southern boundary. The Site occupies a corner plot, overlooking Battersea Bridge. At present the Site comprises a part 5, part 6 storey office building known as 'the Glassmill'. The Site extends to approximately 0.27 acres (0.11 hectares). Further details on the existing building can be found in the accompanying CBRE valuation report attached at **Appendix 1**.

Scenario testing

The Landowner's architects have prepared 3 development scenarios for the Site, these include a mix of uses in order to demonstrate that the Site cannot viably support any development within the restriction of mid-rise development. In fact, the revised allocation sterilises the Site from a delivery perspective and the current building located in a prominent riverside location would likely eventually become detrimental to the local environment. These scenarios comprise:

1. Scenario 1 – Retrofit of existing commercial building to meet current day occupier and sustainability requirements
2. Scenario 2 – Redevelopment of the Site to provide a new office building
3. Scenario 3 – Mixed use building providing 17 residential units fronting the riverside (providing 35% affordable housing), with commercial office space to the rear facing Hester Road, with commercial and retail on the ground floor.

Floorplans and accommodation schedules for each scenario are provided at **Appendix 2**.

Policy context

The PPG viability section notes at paragraph 001 that policy requirements should be informed by a "proportionate assessment of viability that takes into account all relevant policies, local and national standards, including the cost implications of CIL and S106".

Paragraph 002 states that viability assessments for plan or policy making "should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.". Furthermore, paragraph 002 goes on to state:

"It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers"

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.”

For plan making the PPG recognises that the viability of plans does not require the individual testing of every site but can instead use a typology approach to viability testing, whereby sites of similar characteristics are grouped together, using average costs and values.

This is the approach that has been adopted by Porter Planning Economics with Three Dragons within the Whole Plan Viability Assessment and we have reviewed their submission when preparing our evidence making reference and providing evidence on development appraisal inputs where our opinion differs to PPEs.

Approach to Development Viability

The most common method for valuing development land is the Residual Valuation Method, set out in the RICS’s Guidance Note ‘Valuation of Development Property’. The methodology adopted in this representation is in accordance with the RICS Guidance note ‘Assessing Viability in Planning under the National Planning Policy Framework 2019 for England’, published in 2021.

The methodology underpinning a residual valuation is a relatively simple concept. In short, the gross value of the completed development is assessed, including, amongst others, the aggregated value of any residential properties, commercial income, car parking income and ground rents. Secondly, the cost of building the development is deducted along with professional fees, finance costs and developer’s profit.

The output of the modelling is the Residual Land Value (RLV) or the Residual Profit. Simply, if the RLV or Residual Profit produced by a scheme is lower than a Benchmark Land Value (BLV), then the scheme is deemed to be unviable and is therefore unlikely to come forward for development, unless the level of affordable housing and / or planning obligations can be reduced. If the RLV is higher than the BLV or, then the scheme can come forward in principle and provide affordable workspace and/or other planning obligations.

Benchmark Land Value

Policy context

PPG provides a framework for how BLV should be approached. Paragraph 013 states:

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).”

Paragraph 015 further defines what is meant by EUV in a viability assessment:

“Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).”

In respect of the premium, paragraph 016 states:

“The premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

The RICS Professional Statement ‘Financial Viability in Planning: Conduct and Reporting’ (dated May 2019) requires BLV to be provided on an EUV, EUV+, and Alternative Use Value (AUV) basis. However, for plan making, the RICS guidance note refers to BLV’s being “generally based on EUV plus a premium”. In the first instance, we have therefore considered the Site’s EUV, followed by an assessment of the premium.

Existing Use Value

The existing property on the site comprises a part 5, part 6 storey office building. A valuation of the existing building has been provided by CBRE and is attached at **Appendix 1**. To summarise, the existing areas are as follows:

Table 1: One Battersea Bridge Road Existing Areas			
Floor/Unit	Use	NIA (sq ft)	GIA (sq ft)
Sixth	Plant	0	762
Fifth Floor	Office	1,776	2,458
Fourth Floor	Office	4,344	5,433
Third Floor	Office	6,002	8,159
Second Floor	Office	6,043	8,099
First Floor	Office	6,937	7,993
Ground Floor	Office	5,609	7,931
Ground Floor	Reception	413	-
Basement	Office	229	11,662
Total		31,353	52,497

Condition and specification

The building is a 1980s office building with glazed curtain wall façade. Internally the property is arranged as open plan, temporarily partitioned office accommodation. Generally, the specification is poor, the M&E is dated and requires modernisation/replacement. CBRE comment that to ensure the continued use of the building as offices, substantial refurbishment will be required.

Technically, from a planning viability perspective, this could constitute an AUV rather than an EUV, however planning policy does allow for such BLVs subject to several tests being met. Depending on the level of works required and whether for example, planning is necessary, there is a proposition that a refurbished building, allowing for improvements such as sustainability upgrades and internal modern day office requirements would constitute an EUV subject to refurbishment as per the RICS Guidance note 'Assessing Viability in Planning under the National Planning Policy Framework 2019 for England', published in 2021.

Valuation approach

CBRE has concluded that major repairs and refurbishment would be required in order to re let the buildings. Therefore, the valuation has been undertaken using a residual approach rather than a straight investment valuation. Required refurbishment costs and works to the façade have been provided. Construction costs total £14,295,868.

However, it should be noted that given the significant capital expenditure required to refurbish the existing building combined with the high inherent risk and the relatively low Residual Land Value derived given its secondary location as a site for offices, as described in the CBRE Valuation report, it is highly improbable that a landowner / investor would undertake such works and as such, more comprehensive redevelopment options would need consideration.

Rental values

Rental values achievable have been assumed for post completion of the required works. Rents have been stepped relating to floor levels. Overall, this reflects a blended average of £46.2 per sq ft.

Yields

An All Risks Yield (ARY) of 5.25% has been assumed, based upon comparable evidence.

EUV Summary

Overall, CBRE's valuation provides an EUV of £4.5 million, equating to approximately £143.50 on the current NIA.

Existing Use Value

DS2 have relied upon CBRE's valuation and have therefore applied £4.5million as the BLV.

Scenario Appraisals

Proposed schemes

As discussed, DS2 have appraised three scenarios:

1. Scenario 1 – Retrofit of existing commercial building to meet current day occupier and sustainability requirements
2. Scenario 2 – Redevelopment of the Site to provide a new office building
3. Scenario 3 – Mixed use building providing 17 residential units fronting the riverside (providing 35% affordable housing), with commercial office space to the rear facing Hester Road, with commercial and retail on the ground floor.

A summary of the appraisal inputs for each scenario are attached at **Appendix 3**. To highlight, some departures have been made from the Whole Plan Viability Study that underpins the emerging policy and where we have departed from such inputs to reflect site specifics, we have provided a justification.

CBRE have assumed a full renovation in their estimate of EUV in order for the property to be relet. Scenario 1 is for a retrofit of the existing building to meet current occupier requirements and sustainability improvements to current day standards. Therefore, we have assumed the same value for Scenario 1 as the EUV as the two broadly align. As described above the high inherent risk and the relatively low Residual Land Value derived given its secondary location as a site for offices, it is highly improbable that a landowner / investor would undertake such works and as such, more comprehensive redevelopment options have been considered.

CBRE have also advised that from their knowledge of the market and given the secondary location of the Site they would anticipate there would be little value difference between a new build and fully refurbished building. Therefore, we have adopted similar assumptions to CBRE's valuation of the existing in our appraisal of Scenario 2. A full summary of appraisal assumptions can be found at **Appendix 3**.

To note in Scenario 3 we have tested a policy compliant, 'Fast Track' amount of 35% affordable housing, with 60% being provided as Social Rent and 40% as intermediate housing (London Living Rent). We note the requirement to deliver First Homes as part of the emerging policy however the quantum of affordable housing is relatively small as the total scheme is only for 17 residential units and the price point in this riverside location would likely mean that First Homes would not be affordable within the £430,000 cap for London, as defined by the Government. However, if First Homes were to be included at the expense of intermediate accommodation, this would have no material impact on the outcome.

The table below summarises the three schemes appraised, full accommodation schedules and floorplans are provided at **Appendix 2**.

Table 2: Scenario testing, One Battersea Bridge Road, February 2022			
	Existing Building	Scenario 2	Scenario 3
GIA (sqm)	4,877	6,370	6,476
NIA (sqm)	2,912	4,369	3,949

Appraisal results

The results of the financial appraisals are included in the table below. The full appraisals are included at **Appendix 4**.

Table 3: Summary of Appraisals			
Scheme	Residual Land Value	Benchmark Land Value	Surplus/ (deficit)
Scenario 1	£4.5million	£4.5million	-
Scenario 2	-£5.5million	£4.5million	-£10million
Scenario 3	-£13.3million	£4.5million	-£17.8million

Sensitivity testing and scenario testing

Sensitivity testing

It is a mandatory requirement of the RICS Professional Statement 'Financial Viability in Planning; Conduct and Reporting', 2019, to undertake sensitivity testing of planning viability assessments to examine the effects of changes in key inputs, and to address the potential for variation in residual valuations.

Development viability should residential values increase/decrease in increments of 5% per sq ft or commercial rents increase/ decrease in increments of 5% per sq ft and construction costs increase/decrease increments of 5%. Red cells represent a decrease in viability from the current position, green cells an improvement.

Scenario 2

Table 3 : Sensitivity Analysis, One Battersea Bridge Road Scenario 2					
Rent: Rate /ft²					
Construction: Rate /ft²	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%	-£4,931,606	-£3,594,090	-£2,263,664	-£940,501	£354,766
-5.000%	-£6,542,335	-£5,199,525	-£3,862,009	-£2,531,204	-£1,206,613
0.000%	-£8,155,855	-£6,810,121	-£5,467,445	-£4,129,929	-£2,798,763
5.000%	-£9,774,910	-£8,422,942	-£7,077,906	-£5,735,365	-£4,397,849
10.000%	-£11,394,398	-£10,041,994	-£8,690,453	-£7,345,692	-£6,003,284

Scenario 3

Table 4 : Sensitivity Analysis, One Battersea Bridge Road Scenario 3					
Sales: Rate /ft²					
Construction : Rate /ft²	1,080.00 /ft²	1,140.00 /ft²	1,200.00 /ft²	1,260.00 /ft²	1,320.00 /ft²
-10.000%	-£10,642,066	-£9,987,862	-£9,334,020	-£8,680,178	-£8,026,372
-5.000%	-£12,627,038	-£11,969,673	-£11,312,307	-£10,657,879	-£10,004,037
0.000%	-£14,612,009	-£13,954,645	-£13,297,281	-£12,639,915	-£11,982,549
5.000%	-£16,602,378	-£15,941,448	-£15,282,252	-£14,624,888	-£13,967,524
10.000%	-£18,593,891	-£17,932,965	-£17,272,037	-£16,611,111	-£15,952,494

Conclusions

This viability testing exercise demonstrates that a development within the constraints of a “mid-rise” development would not be viable and therefore, without the ability to increase massing of the Site through an increase in building height, development will not be deliverable.

The existing building as identified is in a poor condition, not ideally located for office accommodation and not reflective of modern day occupational nor sustainability requirements. As noted, an extensive costly refurbishment is not a realistic proposition.

The BLV is established by a refurbishment and the existing value of the current building based on its condition and the incumbent leases is negligible. It is highly questionable as to whether any incoming purchaser would undertake the required refurbishment of the existing building given the capital expenditure required and the inherent risks of delivering a large amount of office space in this location. CBRE have highlighted that there is a limited market for office accommodation in this location.

If the development of the Site were to expand beyond 5 storeys the Site has significant potential for housing delivery and in turn, affordable housing delivery and the delivery of a significant range of other planning benefits and CIL. However, our analysis does illustrate that from an economic standpoint perhaps unsurprisingly, additional massing is required on the Site in order to facilitate a viable scheme and ensure that this prominent Site’s future is not sterilised.

We would be happy to meet with the LBW or its appointed advisors to discuss or expand upon any points contained within this submission

Yours sincerely,

DS2 LLP
February 2022

APPENDIX 1- CBRE Report

The logo for CBRE, consisting of the letters 'CBRE' in a bold, white, sans-serif font, positioned in the upper left corner of the page. The background behind the logo is a dark green geometric shape that extends diagonally across the top left of the page.

CBRE

VALUATION REPORT

Valuation Date: 20 January 2022

In respect of:

The Glassmill
One Battersea Bridge Rd
London
SW11 3BZ

On behalf of:

Promontoria Battersea Limited

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Limited ("CBRE") exclusively for Promontoria Battersea Limited (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 17th February 2022 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to the Client, Addressees and to any Relying Parties howsoever arising under, in connection with or pursuant to this Report and/or the Instruction together, whether in contract, tort, negligence or otherwise shall not exceed the lower of:

(i) 25% of the value of a single property, or, in the case of a claim relating to multiple properties 25% of the aggregated value of the properties to which the claim relates (such value being as at the Valuation Date and on the basis identified in the Instruction or, if no basis is expressed, Market Value as defined by the RICS); or

(ii) £20,000,000 (Twenty Million British Pounds)

Subject to the terms of the Instruction, CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

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If another CBRE Group entity contributes to the preparation of the Report, that entity may co-sign the Report purely to confirm its role as contributor. The Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to such CBRE Group entity and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against such CBRE Group entity whether arising in contract, tort, negligence or otherwise. CBRE shall remain solely liable to the client in accordance with the terms of the Instruction

None of the information in this Report constitutes advice as to the merits of entering into any form of transaction.

If you do not understand this legal notice then it is recommended that you seek independent legal advice.

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01

VALUATION REPORT

Introduction

Report Date	28 February 2022
Valuation Date	20 January 2022
Addressee	Promontoria Battersea Limited 10th Floor 5 Churchill Place London EC3V ORL
The Property	The freehold office known as The Glassmill, One Battersea Bridge Road, London, SW11 3BZ, United Kingdom (the 'Property').
Instruction	To value on the basis of Existing Use Value the Freehold property as at the valuation date, in accordance with the terms of engagement dated 17 th February 2022.
Property Description	The property comprises a stand-alone 1980s office building.
Status of Valuer	You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards. Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
Purpose and Basis of Valuation	To assist you in your discussions with the local authority in relation to the viability of the proposed redevelopment of the property. The Valuation will be on the basis of Existing Use Value as defined in the current edition of the RICS Valuation – Global Standards and in the VSTOB.
Purchase Price	The property was marketed for sale in November 2020. Working with Feilden Clegg Bradley Studios, the vendors engaged the London Borough of Wandsworth in a series of collaborative pre-application meetings to discuss the potential redevelopment of the property. The sales particulars (dated November 2020) state that the overall response has been positive. We understand that a conditional bid, subject to planning, of £25,000,000 has been accepted.
Existing Use Value	To define (land) value for any viability assessment, a benchmark value should be established on the basis of the existing use value (EUV). EUV (or Current Use Value ("CUV")) is the value of land or property in its existing use. The basis of value assumes all hope value is excluded, including value arising from any planning permission or alternative use. Our opinion of the Existing Use Value of the Freehold interest of the subject property is: £4,500,000 (FOUR MILLION FIVE HUNDRED THOUSAND POUNDS) exclusive of VAT
Joint Tenancies and Indirect Investment Structures	Where a property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held. Our opinion of Existing Use Value is based upon the Scope of Work and Valuation Assumptions, and has been primarily derived using comparable recent market transactions on arm's length terms.
Novel Coronavirus (COVID-19)	The outbreak of Novel Coronavirus (COVID-19), which was declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the Valuation Date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly –

and for the avoidance of doubt – our Valuation is not reported as being subject to ‘material valuation uncertainty’, as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the Valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the Valuation Date.

In the case of **development** valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value. Consequently, in the current market conditions – with the potential for cost inflation, supply and timing issues, fluctuating finance rates, liquidity issues and reduced transactional volumes – it is inevitable that there is even greater uncertainty, with site values being susceptible to much more variance than normal.

Rental Income

The Valuation we have provided reflects the rental income as at the Date of Valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the COVID-19 virus and the current restrictions on business activities, it is possible that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as the Valuation Date.

The Property has been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Property. Other valuers may reach different conclusions as to the value of the subject Property. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject Property as at the Valuation Date.

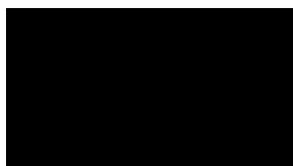
Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

Climate Risk Legislation	<p>The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).</p> <p>We understand this to include an update to the Minimum Energy Efficiency Standards, stated to increase the minimum requirements from an E (since 2018) to a B in 2030. The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK's commitment to be Net Zero Carbon by 2050.</p> <p>This upcoming legislation could have a potential impact to future asset value.</p> <p>We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.</p> <p>The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.</p>
Assumptions	<p>The Property details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.</p>
Variations and/or Departures from Standard Assumptions	None.
Independence	<p>The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.</p>
Previous Involvement and Conflicts of Interest	<p>With the exception of the below, we confirm that neither the valuers involved in this instruction nor CBRE have had any previous, nor current, material involvement with the Property or the parties involved, and have no personal interest in the outcome of the Valuation – nor are we aware of any conflicts of interest that would prevent us from exercising the required levels of independency and objectivity.</p> <p>We can confirm, the CBRE residential development team was involved in advising the vendor on the sale of the property. We understand their involvement has now finished.</p> <p>Copies of our conflict of interest checks have been retained within the working papers.</p>
Reliance	<p>The contents of this Report may only be relied upon by:</p> <ul style="list-style-type: none"> i) Addressees of the Report; and ii) Parties who have received prior written consent from CBRE in the form of a reliance letter; <p>for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.</p>
Publication	<p>Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.</p> <p>Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.</p>

Yours faithfully



Jonathan White BSc (Hons) MRICS
Executive Director
RICS Registered Valuer
For and on behalf of CBRE Limited



Yours faithfully



Libby Hamilton BSc MRICS Senior
Surveyor
RICS Registered Valuer
For and on behalf of CBRE Limited



Source of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us by you or your professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
Inspection	The Property was internally inspected by Jonathan White MRICS, RICS Registered Valuer and Libby Hamilton MRICS, RICS Registered Valuer on 20 January 2022.
Areas	We have not measured the Property but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.
Environmental Matters	We have read the Environmental Due Diligence Report prepared by CBRE for the site disposals, dated April 2020. This report was prepared with reference to third party sources including Landmark International Group.
Services and Amenities	We understand that the Property is located in an area served by mains gas, electricity, water and drainage. None of the services have been tested by us.
Repair and Condition	CBRE has not undertaken a building survey, nor have we been provided with a third party report. We have inspected the property for valuation purposes only and have sought indicative cost advice based on limited information with our PRM building consultancy team who have, in this particular instance, sought additional advice from the CBRE façade team.
Town Planning	We have made online planning enquiries only. Information supplied to us by planning officers is given without liability on their part. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.
Titles, Tenures and Lettings	Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

Valuation Assumptions

Capital Values

The Valuation has been prepared on the basis of "Existing Use Value", which is defined in the Red Book as:

"The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that derived from the continuation of the existing use."

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date adopting this definition of value. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Fixtures, Fittings and Equipment

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Property possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Property possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002

building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;

- d) the Property is either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- e) invasive species such as Japanese Knotweed are not present on the Property.

High voltage electrical supply equipment may exist within, or in close proximity of, the Property. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Property. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Property;
- b) the Property is free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Property; and
- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Property is not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Property to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;

-
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
 - j) where more than 50% of the floorspace of the Property is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
 - k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
 - l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
 - m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable. In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable
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02

PROPERTY REPORT

One Battersea Bridge Rd, London, SW11 3BZ, United Kingdom

Valuation Date:

20 January 2022

Inspection Date:

20 January 2022 (internal)

Inspected By:

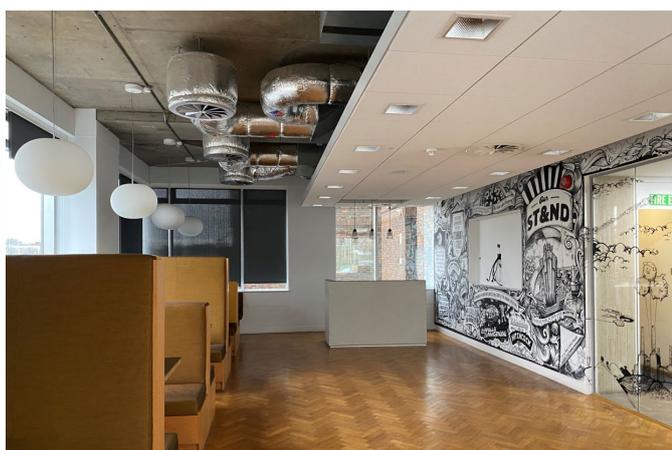
Jonathan White and Libby Hamilton



West Elevation



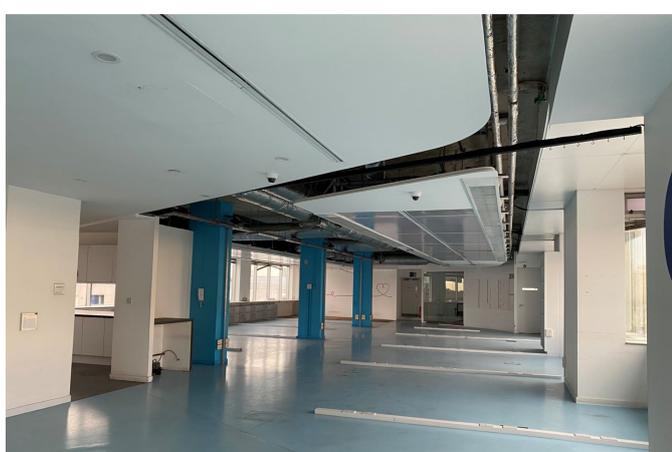
Elevation from Hester Road



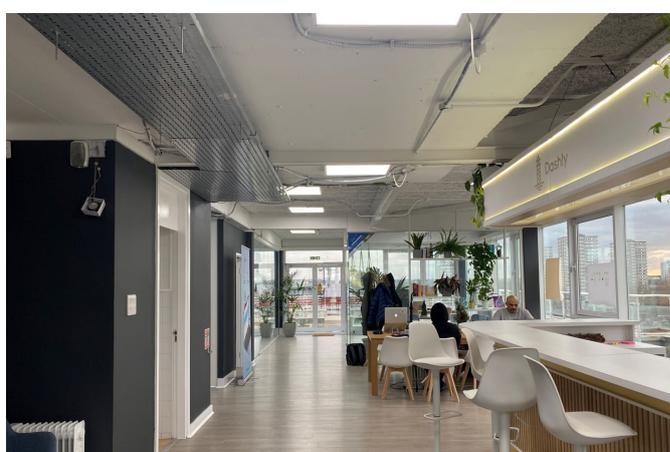
Ground Floor



Third Floor



Fourth Floor



Fifth Floor

Valuation Summary

Capital & Rental Values

Existing Use Value	£4,500,000	ARY	5.25%
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Tenure & Tenancies

Tenure	Freehold
Tenancies	We understand that Vacant Possession can be achieved at short notice. As instructed, we have valued on the assumption of full vacant possession.

SWOT Analysis

Strengths / Opportunities	<ul style="list-style-type: none"> • Held freehold. • Has a direct frontage onto the Thames, offering attractive views across the river. • Largely open plan office accommodation with some interruption from columns.
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Weaknesses / Threats	<ul style="list-style-type: none"> • This is a predominantly residential area with very few offices in the immediate vicinity. The majority of commercial development is centred around Battersea Power Station to the east and beyond that, Nine Elms. • The area itself is poorly connected in terms of public transport and this will deter office occupiers who rely on attracting workers from Greater London or beyond. • Internally, it is evident that parts of the building have been refurbished on a rolling basis and the specification varies considerably across floors. Generally, the specification is very poor. Furthermore, the M&E is dated and in need of modernisation / replacement. • The building was constructed in the 1980s and has a glazed curtain wall façade which is nearing the end of its physical life. Deterioration of the façade was evident during our inspection and we are of the view that refurbishment or replacement will be needed in the near term to ensure the continued use of the building. • Refurbishing / replacing the façade will be particularly important from a thermal efficiency perspective and meeting future energy efficiency targets which are set to lift minimum energy efficiency requirements from 'E' to 'B' by 2030. • The property has an EPC of C and this is due to expire in 2022. A new EPC must be obtained prior to letting any of the vacant office space. • Ultimately, to ensure the continued use of the building as offices, a substantial refurbishment will be required at considerable cost.
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Property Overview

Location	The property is located on the east side of Battersea Bridge Road in the London Borough of Wandsworth.
Situation	<p>The site is bound to the north by the River Thames and to the south by Hester Road and the Royal College of Art Dyson Building.</p> <p>The connectivity of the site is limited with the following walking times to the London railway/underground network.</p> <ul style="list-style-type: none"> • Clapham Junction Underground and National Railway: 30 minute walk • Fulham Broadway Underground: 30 minute walk • Imperial Wharf Overground: 20 minute walk • Battersea Park Underground: 30 minute walk • Queenstown Road Overground: 30 minute walk • Codogan Pier Uber Service: 10 minute walk <p>The surrounding area is characterised by its mixed-use nature. The area to the west is predominantly residential with commercial use to the south. The nature of buildings are mixed with taller, modern buildings fronting the river and medium to low rise buildings stepping back from the river.</p> <p>There are a mix of commercial occupiers in the vicinity, key stakeholders being the Royal College of Art and Forster and Partners.</p>
Description	Glassmill comprises a part five storey, part six storey building, constructed in the 1980s and has a glazed curtain wall façade typical of that era.

Accommodation

We have not measured the property but have relied upon the floor areas provided to us by CBRE Geomatics and 3D Services, dated March 2020.

We understand the floor areas are Net Internal Areas (NIA) and Gross Internal Areas (GIAs) and have been measured in accordance with the RICS Code of Measuring Practice (6th edition). We have adopted the following areas:

Floor/Unit	Use	NIA (Sq ft)	GIA (sq st)
Sixth	Plant	0	762
Fifth Floor	Office	1,776	2,458
Fourth Floor	Office	4,344	5,433
Third Floor	Office	6,002	8,159
Second Floor	Office	6,043	8,099
First Floor	Office	6,937	7,993
Ground Floor	Office	5,609	7,931
Ground Floor	Reception	413	-
Basement	Office	229	11,662
Total		31,353	52,497

Site Area	<p>We understand from the sales particulars dated November 2020, that the site extends 0.27 acres (0.11 hectares).</p> <p>The site benefits from a prime river frontage.</p>
Specification	<p>External</p> <ul style="list-style-type: none"> • 1980s concrete frame with glazed curtain wall façade. • During the course of our inspection, we noted that a number of the glass panels to the façade were damaged and/or have deteriorated through age. • The site slopes gently down from the river. • The fourth and fifth floor step back from the floors below. <p>Internal</p> <ul style="list-style-type: none"> • Mix of open plan and temporarily partitioned office accommodation. • Single core which includes a staircase and two lifts. There is an additional staircase which provides a fire escape. • The floor plates are narrow and long. • The internal columns provide minimal disruption to the floor plate. • Mixed specification throughout. • The fifth floor is formed of a glass pod which sits atop the main building. It has part glazed and part plaster and painted ceilings, solid floors with perimeter trunking and wall mounted AC and electric heaters. There is a larger external terrace to the rear. This floor benefits from excellent natural light. • The fourth floor has part suspended ceilings with plastic finish and part plaster and painted alongside some dated strip lighting and solid floors with trunking. • The third floor is heavily divided with temporary partitioning to provide several smaller office suites. These are of mixed specification and have been fitted out by respective tenants. The better specification includes solid floors with trunking, part suspended ceilings with part exposed services and strip lighting. Some of the poorer specification includes perimeter trunking, suspended ceiling with plastic coating and a mix of dated lighting. • The second floor is similar to the third floor in that it has been divided by temporary partitioning and is of mixed specification. • The first floor has been more recently refurbished and includes solid polished concrete floors, exposed servicing with part suspended ceilings, air conditioning, strip lighting and generally presents well. • The ground floor has also been refurbished to a similar specification to the first floor. The ground floor is raised up from the ground as the site slopes which means it is not overlooked by the adjoining road/pavement. • The basement is used for car parking and is accessible from one of the lifts. There are around 38 car parking spaces internally and possibly more (around 4) outside the building.
Amenities	<ul style="list-style-type: none"> • There are a number of car parking spaces in the basement and, we understand, some located outside too.

Due Diligence

Title & Tenure	<p>CBRE have not been provided with a Report on Title or similar so have assumed that the property is held with good title without any onerous encumbrances or restrictions. If, in the future, we are provided with information which conflicts with this we will reserve the right to revise the advice given herein.</p> <p>The property is held Freehold under Title TGL159114.</p>
Tenancies	<p>The property is part occupied, part vacant.</p> <p>We understand that the current tenants occupy the space on short licences and vacant possession is achievable at short notice. Our valuation reflects vacant possession.</p>
State of Repair	<p>We have not been provided with a building survey and therefore cannot comment upon its findings.</p> <p>During the course of our inspection, and on further enquiries with our building consultancy team, we can confirm the following:</p> <ul style="list-style-type: none"> • The glazed curtain façade dates back to the buildings original construction. Given its age, it is probably nearing the end of its viable life and is in need of refurbishment / replacement. • Internally, the M&E is outdated and in need of replacement / modernisation. The office accommodation offers a mixed specification but is generally poor and needs upgrading. • Overall the building is in need of comprehensive refurbishment in addition to the refurbishment / replacement of the glazed curtain façade.
Environmental Considerations	<p>We have read the Environmental Due Diligence Report prepared by CBRE for the site disposal, dated April 2020. This report was prepared with reference to third party sources including Landmark International Group. We have summarised the key findings below:</p> <p>Land Contamination</p> <ul style="list-style-type: none"> - A moderate potential for contamination has been identified associated with the historical uses of the site, including part of a lead works, saw mill and paper mill/warehouse. - Given the anticipated removal of potential sources of contamination during the construction of the current basement, predominance of hardstanding and history of the surrounds, the report concludes that the overall risk is reduced. - Where ground conditions remain undisturbed for a current use and appropriate risk mitigation are implemented in the event of redevelopment, CBRE considers that there is a low risk of the site currently attracting the attention of the regulatory authorities or representing a significant risk to identified receptors. - The completion of an intrusive site investigation confirming the contamination status of the site is anticipated to be required by the London Borough of Wandsworth as a condition of any consent granted permitting the redevelopment of the site. Based on the current available information, CBRE do not consider it likely that extensive removal works will be required in the event of redevelopment. <p>Flood Risk</p> <ul style="list-style-type: none"> - The site is located within the floodplain of the River Thames, but is protected by flood defences such that the risk of flooding in the present day is considered to be 'very low'; equivalent to an annual chance less than 1 in 1,000 (0.1%) <p>Minimum Energy Efficiency Standards Risk</p> <ul style="list-style-type: none"> - The EPC provided for the site dated May 2012 indicates that the building has an energy performance score of 72, which is equivalent to Band C. As such, the report states that the site presents a low risk with regards to the minimum energy efficiency standards. <p>Based on the findings of this report, CBRE's own inspection and planning enquiries, we have not identified any environmental risk factors which, in our opinion, would affect value. However, CBRE give no warranty as to the absence of such environmental risk factors.</p>

Fixtures, Fittings & Equipment (FF&E)	Our Valuation is on the assumption that, with the exception of service users' private possessions, all contents and fixtures and fittings required to operate the business are owned by the Landlord. Further, that these are available for sale without restriction.								
Hazardous and Deleterious Materials	We are not aware of any hazardous or deleterious materials at the subject property.								
Flood Risk	We have consulted gov.uk and can confirm the subject property is located in Flood Zone 3, in an area which benefits from flood defences. Land and property in this flood zone would have a high probability of flooding without local flood defences. These protect the area against a river flood with a 1% chance of happening each year, or a flood from the sea with a 0.5% chance of happening each year.								
Business Rates	We have only been able to identify one entry in the 2017 Rating List as follows:								
<table border="1"> <thead> <tr> <th data-bbox="456 757 544 788">Address</th> <th data-bbox="852 757 979 788">Description</th> <th data-bbox="1187 757 1358 788">Rateable Value</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 797 810 891">Unit 9, The Glassmill, Battersea Bridge Road, London, SW11 3BZ</td> <td data-bbox="852 797 1078 828">Office and premises</td> <td data-bbox="1187 797 1289 828">£27,000</td> </tr> </tbody> </table>	Address	Description	Rateable Value	Unit 9, The Glassmill, Battersea Bridge Road, London, SW11 3BZ	Office and premises	£27,000	The Uniform Business Rates Multiplier is 51.2p per pound of Rateable Value.		
Address	Description	Rateable Value							
Unit 9, The Glassmill, Battersea Bridge Road, London, SW11 3BZ	Office and premises	£27,000							
VAT	We have not been advised whether the Property is elected for VAT. All rents and capital values stated in this report are exclusive of VAT.								
Energy Performance Certificates	The EPC rating of the subject property is detailed below:								
<table border="1"> <thead> <tr> <th data-bbox="456 1093 544 1124">Address</th> <th data-bbox="868 1093 995 1124">EPC Rating</th> <th data-bbox="1107 1093 1171 1124">Grade</th> <th data-bbox="1251 1093 1378 1124">Expiry Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 1133 772 1227">The Glassmill, 1 Battersea Bridge Road, London, SW11 3BZ</td> <td data-bbox="916 1133 948 1164">72</td> <td data-bbox="1123 1133 1139 1164">C</td> <td data-bbox="1251 1133 1394 1164">13 May 2022</td> </tr> </tbody> </table>	Address	EPC Rating	Grade	Expiry Date	The Glassmill, 1 Battersea Bridge Road, London, SW11 3BZ	72	C	13 May 2022	
Address	EPC Rating	Grade	Expiry Date						
The Glassmill, 1 Battersea Bridge Road, London, SW11 3BZ	72	C	13 May 2022						
Planning Policy	<p>The subject property is located in the London Borough of Wandsworth. The Local Plan consists of a series of documents which set out the spatial vision for Wandsworth. This outlines the 15-year vision and framework for the future development of the borough. It forms the key document used for making decisions on planning applications within the borough.</p> <p>There are a number of documents under the Wandsworth Local Plan:</p> <ul style="list-style-type: none"> • Core Strategy (adopted March 2016) which sets out the strategic spatial vision for the borough. • The Development Management Policies Management Document (March 2016) which sets out specific considerations that planning applications must comply with. • The Site Specific Allocation Document (March 2016) which includes specific information for sites that the borough have allocated for development. • The Employment and Industry Document (December 2018) which updates and replaces the strategy, policies and site-specific allocations relating to employment and industrial land from the above three documents. <p>The subject property is located in the CIL Neighbourhood of Battersea. It is located within the Thames Policy Area where mixed use redevelopment will be promoted. Development will not be permitted which encroaches onto the river foreshore or which harms the stability or continuity of flood defences. Measures to protect and enhance the river as a valuable resource for wildlife and biodiversity will be supported.</p> <p>It is also located in an Archaeological Priority Area. This covers the core of the historic settlement of Battersea which was centred on Battersea Square. It also covers an area along the riverside between the southern end of Lombard Bridge and Albert Bridge Road.</p>								

We understand that the property did fall within an area for Tall Buildings called Ransomes Docks but this has since been retracted.

Planning Applications

There are no live planning applications listed on the Wandsworth planning portal which is accessible to the public.

We understand a number of pre-application meetings have been held with the Borough of Wandsworth to discuss the potential redevelopment of the site and that overall the response has been positive.

We also note the following:

Application Number	Development Description	Date Registered	Status
2018/1212	Determination as to whether prior approval is required for change of use from offices on first, second, third, fourth and fifth floors (Class B1(a)) to residential (Class C3) to provide 13 x 1-bedroom, 14 x 2-bedroom, 1 x 3-bedroom and 1 x 4-bedroom flats with associated basement bin/cycle storage and 23 parking spaces.	15/03/2008	Prior Approval

Listing / Conservation Area

The property is not located in a Conservation Area.

The property is not Listed.

Highways

We have summarised the following from the Highway Search, dated 6 March 2020:

- The subject property does not directly abut the public Highway that is maintainable at public expense.
- The Royal College of Art’s plans for redevelopment includes changes to the highway layout and parking provision on roads around the site, including Howie Street and Elcho Street. These works are the subject of s278 agreement between the Council and the developer. There are also highway works on Battersea Bridge Road which have a separate s278 agreement with TfL.
- From the available records, there are no public footpaths within the area.
- Battersea Church Road is currently being considered for traffic management measures.

We can confirm that the subject property is accessible via the A320 which is an adopted highway, maintainable at public expense.

We can confirm that Hester Road, to the rear of the premises is not an adopted Highway.

Existing Use Value

Commentary

- You have instructed us to provide an existing use value.
- As we have highlighted above, the current specification of the office accommodation is generally poor and needs to be refurbished to bring it back to a marketable standard.
- We have also highlighted the obsolescence of the curtain glazed façade. In order for the building to continue operating as an office building within regulatory standards, this will need to be refurbished / replaced.
- Of particular note is the ability of the building to continue to meet Minimum Energy Efficiency Standards (MEES) which, according to the Government's latest white paper will rise to an EPC rating of 'B' by 2030. The EPC of the subject expires in May this year and there is a degree of uncertainty of whether it will meet the current MEES of 'E'.
- Following our inspection of the premises and having liaised with our building consultancy team, we have formed the view that in order for the building to continue to be operational in its existing use a wholesale refurbishment of the interior and exterior is required.
- We have highlighted in the next section, some indicative cost estimates of undertaking the works.

Development Costs

Construction Cost

- The costs outlined below have been prepared with the limited information available and are by no means comprehensive.
- Refurbishment costs (excluding external works) have been calculated by CBRE's Building Consultancy team who have relied upon building cost data published by BCIS. The benchmark rate (median) of £2,093 per sq m (£194.44 per sq ft) for general building refurbishment has been adopted.
- A separate exercise to estimate the cost to replace the curtain walling has undertaken by the CBRE Façade Consultancy team. This is based off a rudimentary calculation of the perimeter area of approximately 3,000 metres square (32,291 sq ft). The base cost for curtain walling is estimated at £2,000 per sq m (£185.81 per sq ft) which could be reduced by as much as 50% for replacing the glazing units only (assuming that the framework is capable of being refurbished and would accommodate new glazing panels).
- Other external works have been calculated at 8% of the above costings.
- We have outlined the costs adopted below:

Description	Area (sq ft)	Rate (£)	Total (£)
Building Works (excluding external works)	52,497	£194.45	£10,236,915
Façade Works (refurbishment)			£3,000,000
Subtotal			£13,236,915
Other External Works			£1,058,953
Total			£14,295,868

- We have included a construction contingency of 5% of the total construction costs which equates to £714,793.

Other Fees / Costs

- Professional fees have been estimated at 12% of total construction costs which amounts to **£1,715,504**.
- We have adopted marketing fees at circa 2% of the Gross Development Value.
- Letting and Legal Fees have been adopted at 10% and 5% of Gross Development Value respectively.
- Sales agent and legal fees have been adopted at 1% and 0.5% of the Gross Development Value respectively.

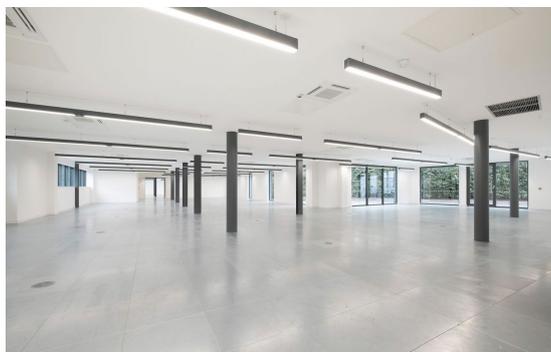
Refurbishment Timeframe

- We have assumed a **3** month lead in period (commencing January 2022);
- followed by **14** months of construction (commencing April 2022, finishing May 2023); and
- a **9** month letting void (commencing June 2023, finishing February 2024)

Market Evidence

Rental Evidence

Address: Ingate Works, Battersea, SW8



Key facts	
Date of Transaction	January 2022
Property Type	Office
Floor Area (NIA)	Ground floor – 5,134 sq ft
Tenant(s)	Forum Auctions Ltd
Lease Length	10 years
Break Option	Year 5
Rental Rate	£42.50 per sq ft
Type of Deal	Open Market Letting
Incentives	12 months followed by additional 10 months if tenant break is not actioned

Relevance

- Location: located close to Battersea development, in close proximity to Battersea Park Station.
- Physical quality: new office development configured over four floors with its own private courtyard. The building has full height glazing, generous floor to ceiling heights, suspended lighting, plasterboard ceilings, LED lighting, VRF air conditioning and raised floors.

Comment

- The agent has a number of offices suites currently on the market within this particular development. These are being marketed at £49.50 per sq ft. Interest in the suites has picked up since the New Year as greater certainty returns to the occupational market.
- This comparable provides a useful benchmark for new build/newly refurbished office accommodation within a peripheral London market, albeit situated closer to public transport links.

Address: One Embassy Gardens, Nine Elms, SW8



Key facts	
Date of Transaction	June 2021
Property Type	Office
Floor Area (NIA)	9 th floor – 5,500 sq ft
Tenant(s)	Perrett Laver
Lease Length	10 years
Break Option	Year 5
Passing Rent	£343,750 per annum
Rental Rate	£62.50 per sq ft
Type of Deal	Open market letting
Incentives	14 months rent free with further 12 months rent free if tenant break is not exercised

Relevance

- Location: Embassy gardens is a mixed-use development by Ballymore group in the Nine Elms regeneration zone in Vauxhall.
- Physical quality: Brand new Grade A office accommodation with open plan raised floors, 2.75 metre floor to ceiling height, variable air volume fan coil air conditioning and LED lighting. The building has 27 bicycle spaces, 12 showers and locker facilities. The building is BREEAM rated 'Excellent'.

Comment

- This comparable offers a benchmark for prime rents in Nine Elms but offers little by way of a direct comparison to the subject property due to its new build nature and prime location within the established Nine Elms submarket.

Address: Luma, 330 Clapham Road, SW9



Key facts

Date of Transaction	June 2021
Property Type	Office
Floor Area (GIA/NIA)	LGF – 5 th Floor – 20,497 sq ft
Tenant(s)	Ingeus UK Limited
Lease Length	10 years
Break Option	June 2026 / 2027
Passing Rent	£871,113 per annum
Rental Rate	£42.50 per sq ft
Type of Deal	Open Market Letting
Incentives	9 months rent free

Relevance

- Location:** located north of the A3, between Clapham Common and Stockwell. Stockwell underground station is a short walk from the property. This area is a predominantly residential area and is not an established office market. It does however benefit from good connectivity.
- Physical quality:** New-build office scheme offering Grade A office specification which includes VRF air conditioning, suspended metal tile ceiling, LED Lighting, showers, lockers, bicycle racks and onsite gym. The building is rated BREEAM 'Excellent'.

Comments

- This comparable offers a good indication of office rents for new build, well specified office space in a peripheral Central London office market. The office building formed part of a wider residential scheme and benefits from the services available to residents, such as the gym.

Address: Discovery House, Battersea Reach, SW18



Key facts

Date of Transaction	January 2021
Property Type	Office
Floor Area (NIA)	7,642 sq ft
Tenant(s)	Mindful Chef
Lease Length	10 years
Break Option	January 2027
Passing Rent	£302,109 per annum
Rental Rate	£39.53 per sq ft blended £42.50 per sq ft on best
Type of Deal	Open Market Letting
Incentives	10 months rent free followed by 10 months of half rent

Relevance

- Location:** located within the St George development of Battersea Reach. Battersea Reach is a residential led development located a short walk from Wandsworth town.

- Physical quality: the office is situated at the ground floor of Discovery House at the entrance to the development and does not benefit from a river frontage or riverside views.

Comment

- The landlord made a cap ex contribution for the tenant to fit out the space to CAT A condition. The rent devalued to around £42.50 per sq ft on the best space in CAT A condition.
- This comparable offers an indication of rents for CAT A space in a peripheral office market in Central London.

Address: Maritime House, 111 Old Town, Clapham, SW4



Key facts	
Date of Transaction	September 2020
Property Type	Office
Floor Area (NIA)	GF + 1 st floor – 10,775 sq ft
Tenant(s)	Hush Homeware
Lease Length	10.5 years
Break Option	March 2026
Passing Rent	£495,650 per annum
Rental Rate	£46.00 per sq ft
Type of Deal	Open Market letting
Incentives	6 months rent free

Relevance

- Location: located in Clapham Old town which is not an established office market but is a predominately residential area. This comparable enjoys better connectivity to London transport networks compared to the subject property.
- Physical quality: the office space had been fully refurbished with raised carpeted floors, LED Lighting, plastered and painted walls and ceilings, exposed ceiling mounted AC and double glazed windows. The tenants had the benefit of a large garden which was shared by all occupants of the building.

Comments

- This comparable offers a good indication of office rents for refurbished space in a peripheral office location in Central London.
- There were two other lettings which completed within the building over the course of 2020 and these were agreed at £35 per sq ft, reflecting the unrefurbished nature of the office accommodation. This building does not benefit from riverside views but does benefit from external space.

Address: The Hudson, 350 Kennington Lane, SW11



Key facts	
Date of Transaction	June 2021
Property Type	Office
Floor Area (NIA)	LGF to 3rd floor - 23,268 sq ft
Tenant(s)	Coventry University
Lease Length	15 years
Break Option	June 2031
Passing Rent	
Rental Rate	£57.50 per sq ft
Type of Deal	Open market letting
Incentives	15 months rent free

Relevance

- Location: located on the south side of Vauxhall Pleasure Gardens, a short walk from Vauxhall station and the riverside.

- Description: newly refurbished office building with FRF air conditioning, exposed services and LED lighting raised floors and excellent floor to ceiling heights of 3 metres alongside cycle racks, lockers and shower facilities. Externally there is a courtyard garden which leads directly to Vauxhall Pleasure gardens.

Comments

- This comparable offers an indication of rents for refurbished office accommodation within Vauxhall, a superior office market to the subject property. This building doesn't have riverside views but does benefit from a unique proximity to open space as well as being adjacent to Vauxhall mainline and London Underground stations.

Address: The Ram Quarter, Ram Street, Wandsworth, SW18



Key facts	
Date of Transaction	August 2020
Property Type	Office
Floor Area (GIA/NIA)	Ground floor - 15,852 sq ft
Tenant(s)	TLS Contact
Lease Length	5 years
Break Option	None
Passing Rent	
Rental Rate	£42.00 per sq ft
Type of Deal	Open market letting
Incentives	16 months initial rent free.

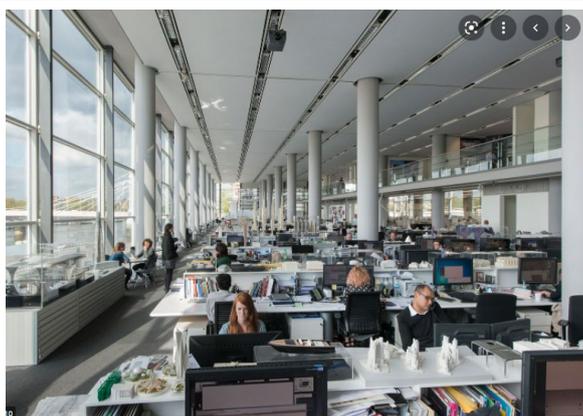
Relevance

- Location: the Ram Quarter is a residential led development, located in Southside in Wandsworth.
- Physical quality: ground floor commercial unit which was offered in CAT A condition.

Comments

- This comparable offers an indication of office rents in a peripheral office market in central London.

Address: 22 Hester Road, Battersea, SW11



Key facts	
Date of Transaction	September 2019
Property Type	Office
Floor Area (NIA)	41,890 sq ft
Tenant(s)	Foster and Partners
Lease Length	25 years
Break Option	None
Passing Rent	Confidential
Rental Rate	Confidential
Type of Deal	Rent Review & Lease Regear
Incentives	None

Relevance

- Location: occupies a river frontage, close to the subject property.
- Physical quality: 22 Hester Road comprises more than one building. The buildings offer a river frontage with excellent views. It has exceptional floor to ceiling heights on the ground floor and first floors and 360 degree fenestration.

Comment

- The reliance which can be placed on this comparable is limited due to the relationship between the Landlord (Lord Foster) and the tenant (Fosters and Partners). CBRE advised the landlord and we would note that the base rent agreed reflected a figure in the low £40's per sq ft with rental premiums for the river frontage.

Conclusion

In arriving at our opinion of Market Rent, we have had reference to the comparables detailed above. These support a headline rent of £42.50 per sq ft for refurbished office accommodation in peripheral office markets in south London. This is supported by the recent lettings at Ingate Works, Battersea Reach, Rams Quarter, Luma Building and Maritime House.

From the rent review devaluation of 22 Hester Road and from speaking to agents active in the market, we consider that a rental premium should be achievable at the subject property as it benefits from a unique river frontage with views over the Thames.

On the assumption that it has been comprehensively refurbished and re-clad, we consider that the following headline ERV would be achievable:

Floor/Unit	Use	NIA (SQ FT)	ERV (£PSF)	% ERV	Adjusted HL Rent (SAY) (£PSF)	Total (SAY) (P/A)
Sixth	Plant	0	£42.50	0%	£0.00	£0
Fifth Floor	Office	1,776	£42.50	125%	£52.50	£93,240
Fourth Floor	Office	4,344	£42.50	120%	£50.00	£217,200
Third Floor	Office	6,002	£42.50	120%	£50.00	£300,100
Second Floor	Office	6,043	£42.50	112%	£47.50	£287,043
First Floor	Office	6,937	£42.50	5%	£45.00	£312,165
Ground Floor	Office	5,609	£42.50	0%	£42.50	£238,383
Ground Floor	Reception	413	£42.50	0%	£0.00	£0
Basement	Office	229	£42.50	0%	£0.00	£0
Total		31,353			£46.19	£1,448,130

Given the off-pitch location of the asset, barring a letting to Foster & Partners or the Royal College of Arts, we consider it unlikely that the building would re-let as a whole. More likely is that it would let on a floor by floor, or part-floor basis.

A larger letting may result in a quantum discount, albeit the evidence set out does not necessarily support this. For example, the ground floor of Ingate Works measures just over 5,000 per sq ft and achieved rental rate as the Luma Building at 330 Clapham Road which measures over 20,000 sq ft.

With regards to the car parking spaces, we have assumed there are around 25. In view of available evidence, we would anticipate each space to generate a rental income of around £150 per calendar month (pcm). This would generate a total rental income of around **£45,000** per annum.

Investment Evidence

Address: Luma, 330 Clapham Road, SW9



Key facts	
Date of Sale	December 2021
Property Type	Office
Tenure	Freehold
Floor Area (GIA/NIA)	26,145 sq ft
Tenant	Multi let
WAULT (WAUTC)	9.5 years to expiry and 4.5 years to break
Passing Rent	Not disclosed
Rental Rate (psf)	Not disclosed
Vendor	Bucleuch Property
Purchaser	ZC Ronogil Investments
Sale Price	£13,430,000
Capital Rate (£ psf)	£512 per sq ft
NIY%	6.7%

Relevance

- Location: located north of the A3 mid way between Stockwell and Clapham underground stations.
- Description: 25,000 sq ft of Grade A office accommodation over seven floors with ground floor retail. The building was constructed as part of a mixed use development by Notting Hill Genesis.
- This was an off market transaction.
- We expect the price paid is weaker than might otherwise be expected for an office building in this location due to the single let nature of the offices and the retail element at ground floor.

Address: 25 Kew Foot Road, Richmond, TW9



Key facts	
Date of Sale	March 2021
Property Type	Office
Tenure	Freehold
Floor Area (GIA/NIA)	7,631 sq ft
Tenant	Secretary of State
WAULT (WAUTC)	15 years to expiry and 10 years to break
Passing Rent	£377,784 per annum
Rental Rate (psf)	£49.50 per sq ft
Vendor	EDM Investment & Asset
Purchaser	Cew Capital
Sale Price	£7,745,000
Capital Rate (£ psf)	£1,014 per sq ft
NIY%	4.6%

Relevance

- Location: Kew Road runs close to the A316 and is a 3 minute walk to Richmond Town Centre and railway station.

- Description: new build office accommodation over ground and two upper floors with car parking, lifts, showers and cycle storage. The building is rated BREEAM Excellent.
- An agreement for lease to the Secretary of State for Housing, Communities and Local Government was in place at the time of sale on a new 15 year lease with a tenant break option in year 10, subject to 5 yearly open market rent reviews.

Address: One Embassy Gardens, SW8



Key facts

Date of Sale	June 2021
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	155,694 sq ft
Tenant	Penguin Random House
WAULT (WAUTC)	10 years
Passing Rent	£18,528,000
Rental Rate (psf)	£54.77 per sq ft
Vendor	Ballymore Properties Limited
Purchaser	Kennedy Wilson
Achieved Price	£177,400,000
Capital Rate (£ psf)	£1,139 per sq ft
NIY%	4.5%

Relevance

- Location: located in Nine Elms in Vauxhall.
- Description: brand new office building constructed in 2019 to the highest specification. The building is located next to the River Thames. It is rated BREEAM 'Excellent'.
- The building is 82% pre-let to Penguin Random House. One and a half floors are vacant.
- The 4.5% NIY reflects the topped up NIY.

Address: 1 & 3 Hammersmith Broadway, W6



Key facts

Date of Sale	September 2021
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	29,353 sq ft
Tenant	Single let to government
WAULT (WAUTC)	10 years
Passing Rent	£1,139,141 per annum
Rental Rate (psf)	£39 per sq ft
Vendor	Blenheim Chalot
Purchaser	Chevalier International
Sale Price	£21,000,000
Capital Rate (£ psf)	£700 per sq ft
NIY%	5.0%

Relevance

- Location: located on the northern site of the Hammersmith roundabout between the junctions of King Street and Shepherds Bush Road and above the entrance to Hammersmith Underground Station.
- Description: Constructed in the 1980s and subsequently refurbished. The office accommodation is configured over ground and five upper floors. There are 22 underground car parking spaces within Broadway Shopping Centre car park.
- Let on a new 10 year lease to the Department of Work and Pensions, operating the largest job centre plus in the UK.

Address: Power Road Studios, Chiswick, W4



Key facts	
Date of Sale	February 2020
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	57,164 sq ft
Tenant	Multi-let
WAULT (WAUTC)	N/A
Passing Rent	£2,150,000 per annum
Rental Rate (psf)	£37.61 per sq ft
Vendor	Helical Bar
Purchaser	Brunswick Property Partners
Sale Price	£41,580,000
Capital Rate (£ psf)	£731 per sq ft
NIY%	4.80%

Relevance

- Location: located within a predominantly commercial area east of Chiswick town centre with good connectivity to the A406 and Chiswick flyover alongside Gunnersbury underground.
- Description: originally constructed in 1930s as a singer sewing machine factory, Power Road Studios offers 57,164 sq ft of workspace over four distinctive studio buildings. The studios have been refurbished on a rolling basis.
- Multi let office campus in Chiswick which was 84% let to a diverse range of occupiers.

Address: 145 – 155 King Street, Hammersmith, W6



Key facts	
Date of Sale	February 2020
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	28,610 sq ft
Tenant	Single-let
WAULT (WAUTC)	7 years *
Passing Rent	£913,781 per annum
Rental Rate (psf)	£32 per sq ft
Vendor	Irish Life Assurance Plc
Purchaser	Hammersmith and Fulham
Sale Price	£18,575,000
Capital Rate (£ psf)	£649 per sq ft
NIY%	4.60%

Relevance

-
- Location: located on King Street to the west of Hammersmith town centre, a short walk from Hammersmith Underground station
 - Description: modern office building.
 - As this property was purchased by the tenant, it was not an arm's length transaction and we have been mindful of this when placing reliance upon the evidence.
-

Conclusion

There have been comparatively few office investment transactions within the immediate vicinity of the subject property over the past few years. Our search for comparable evidence has extended to include other peripheral office markets in south / west London. The objective of our search is to arrive at an appropriate all risks yield (ARY) for a new build / newly refurbished office building which is fully let and income producing. These are similarly hard to come by and we have therefore included older office buildings which are well let and made an appropriate adjustment to arrive at an appropriate ARY for the subject property.

One Embassy Gardens offers the prime yield benchmark for a new build office in the Vauxhall / Battersea office submarket. This sold for £177.4m / 4.5% / £1,139 per sq ft in June 2021. The building is let, almost exclusively to Penguin Random House and one and a half floors are vacant. The price paid and attributable yield reflects a topped up NIY. Adjusting this comparable to reflect the location (+50 bps) and quality of the underlying asset (+25 bps) suggests the subject property could attract a yield of around 5.25%.

1 – 3 Hammersmith Broadway is a 1980s office building located in the commercial centre of Hammersmith. This comparable offers a broadly similar lot size to the subject property in terms of NIA and has an attractive WAULT of 10 years to an undoubted covenant. This sold in September 2021 for £21 million / 5.00% NIY / £700 per sq ft and offers a good indication of investors pricing of dated office buildings which are well let in Hammersmith. We would expect the subject property to achieve a discount relative to this comparable in view of its location.

The Luma Building in Clapham provides an interesting basis for comparison. This comparable comprises a single new build office with retail at ground floor. The office accommodation is almost virtually fully let to Ingeus UK Limited which provides a WAULT of 9.5 years to expiry and 4.5 years to break. The building is located on the A3, midway between Clapham and Stockwell in a predominantly residential area. It sold in December 2021 for £13.43 million / 6.7% / £512 per sq ft. We expect the price paid reflects the uncertain covenant strength of Ingeus and the retail element which would be priced at a higher yield. We would therefore expect the subject property to attract a keener yield relative to this comparable.

Vacant Possession Evidence

Address: 47 / 39 Durham Street, SE11



Key facts	
Date of Sale	Under Offer
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	37,907 sq ft
Tenant	Vacant Possession
WAULT (WAUTC)	N/A
Passing Rent	N/A
Rental Rate (psf)	N/A
Vendor	Unknown
Purchaser	TBC
Quoting Price	£22,500,000
Capital Rate (£ psf)	£594 per sq ft
NIY%	N/A

Relevance

- Location: located in Vauxhall on Durham Street, close to its junction with Harleyford Road. Vauxhall Railway and Underground Stations are located within close proximity.
- Description: 1990s steel frame office building configured over five storeys. It is understood the building was last renovated in 2002. The site area extends 0.39 acres
- Vacant possession across all floors with the exception of the ground floor which is let to ClearScore until January 2027.
- There is an opportunity to undertake comprehensive refurbishment and possible massing (subject to planning).
- We have spoken to the agent who has confirmed the property is under offer at below quoting price, however was unable to comment further.

Address: Eton House, Richmond, TW9



Key facts	
Date of Sale	November 2021
Property Type	Office
Tenure	Freehold
Floor Area (GIA/NIA)	32,744 sq ft
Tenant	N/A
WAULT (WAUTC)	N/A
Passing Rent	N/A
Rental Rate (psf)	N/A
Vendor	Aviva
Purchaser	Barwood
Sale Price	£12,900,000
Capital Rate (£ psf)	£393 per sq ft
NIY%	N/A

Relevance

- Location: located in Richmond Town centre, a short walk from Richmond station.
- Description: 1980s concrete frame office building configured over ground and three upper floors in need of comprehensive refurbishment.
- The property became vacant in November 2021. The purchaser plans to undertake a back to frame refurbishment with an additional floor of office accommodation and roof terrace, targeting BREEAM rated Excellent. There was no planning in place at the time of sale.
- We have not been able to acquire the additional area created by the creation of an additional floor. The capital value on a per square foot basis on the completed scheme will be lower than indicated by the sale price divided by current net lettable area.

Address: 66 Hammersmith Road, W14



Key facts	
Date of Sale	June 2021
Property Type	Office
Tenure	Freehold
Floor Area (NIA)	70,293 sq ft
Tenant	Vacant Possession
WAULT (WAUTC)	N/A
Passing Rent	N/A
Rental Rate (psf)	N/A
Vendor	Pirbright Holdings
Purchaser	Private
Achieved Price	£26,000,000
Capital Rate (£ psf)	£370 per sq ft on existing £138 per sq ft on proposed
NIY%	N/A

Relevance

- Location: located in Hammersmith in West London.
- Description: this is the site of the Kensington Centre at 66 Hammersmith Road which currently comprises a 1980s office building with glass curtain wall panelling. The site has planning consent for an office led development up to eight storeys high, with 188,217 sq ft of office accommodation including 9,730 sq ft of affordable workspace and 9,149 sq ft of retail space.
- Hammersmith does have an established office market which would be viewed as superior to the subject property. Whilst the site has been earmarked for office redevelopment, it does provide a useful indication of the pricing of a building with similar glass curtain walls nearing the end of viability.

As the value we are reporting is for an existing use value, we have disregarded any value-add opportunities relating to massing and / or alternative uses for the asset. Reviewing the underlying capital value of the subject on a per square foot basis and how this compares to comparable evidence is subject to limitations. This is because, in the open market, the price paid often reflects value add opportunities created through massing and / or repositioning of the asset, or of a change of use. This is most evident where massing opportunities exist and how the capital value on a per square foot basis compares to the existing schemes versus the total area of the proposed scheme.

66 Hammersmith Road offers an interesting basis of comparison due to its similarities with the subject in respect of its obsolete glazed curtain façade. At the time of sale this property had planning consent for an office led scheme of 188,217 sq ft. It sold for £26,000,000 which reflects a capital value of £370 per sq ft on the existing scheme but £138 per sq ft on the proposed scheme.

Valuation Approach

Valuation Methodology Existing Use Value of the property assuming the continuation of the current use as offices, assuming all hope value is excluded, including value arising from any planning permission or alternative use.

In arriving at our opinion of value of the property, we have used the residual approach to valuation. The residual approach determines the price that could be paid for the property given the expected 'as if complete' value of the proposed development and then deducts the total cost of construction, allowing for time, market level profit margins, and having due regard to the known characteristics of the property and the inherent risk involved in developments.

Residual valuations are particularly sensitive to changes in inputs and small changes in these inputs and assumptions can result in a significant change in the outcome, in terms of site value. Our valuation report includes a sensitivity analysis to illustrate this.

Income Summary We understand that the property is let on short term leases / licences and vacant possession is achievable on short term notice.

Rental Assumptions The rents adopted in our valuation assume a comprehensive refurbishment:

Floor/Unit	Use	NIA (SQ FT)	Adjusted HL Rent (SAY) (£PSF)	Total (SAY) (P/A)
Sixth	Plant	0	£0.00	£0
Fifth Floor	Office	1,776	£52.50	£93,240
Fourth Floor	Office	4,344	£50.00	£217,200
Third Floor	Office	6,002	£50.00	£300,100
Second Floor	Office	6,043	£47.50	£287,043
First Floor	Office	6,937	£45.00	£312,165
Ground Floor	Office	5,609	£42.50	£238,383
Ground Floor	Reception	413	£0.00	£0
Basement	Office	229	£0.00	£0
Total		31,353	£46.19	£1,448,130

We have assumed there are around 25 car parking spaces. Looking at evidence in the market, these spaces can be rented for around £150 pcm (£1,800 per year). This provides an additional rental income of £45,000 per annum giving a total rental value of £1,493,130 per annum.

Timescales & Refurbishment, Letting Voids and Rent Free Periods

- Costs**
- We have allowed for a 3-month pre-construction void, followed by a 14-month construction period.
 - We have allowed for an average letting void of 9-months.
 - We have assumed a 12 month rent free incentive, assuming lettings with an average 5 year term certain.

Costs

- In our appraisal, we have adopted hard construction costs which amount to £272.32 per sq ft over the GIA. These are described more fully earlier in this report and also set out in the table below.

We have made no assumptions for running costs over the letting void.

Yield Assumptions We have adopted an All Risks Yield of **5.25%**.

Residual Summary

Gross Development Value

	ERV	Yield	Total GDV
Office	£1,4931,30	5.25%	£27,064,676

After Purchaser Costs of 1.5%, the Net Development Value is £26,658,706.

Development Costs

Item	GIA	Rate	Cost
Construction	52,497	£195	£10,236,915
Façade Works			£3,000,000
External Works		8%	£1,058,953
Contingency		5%	£714,793
Professional Fees		12%	£1,715,504
Marketing		2% of ERV	£30,000
Letting Agent Fee		10% of ERV	£149,313
Letting Legal Fee		5% of ERV	£74,657
Sales Agent Fee		1%	£266,587
Sales Legal Fee		0.5%	£133,294
Total Costs			£17,380,000

Financials

Item	Rate	Cost
Finance	4.75%	£1,525,941
Profit on Cost	12.5%	£2,962,079
Total		£21,868,036

Conclusion

Adopting the inputs set out above produces an Existing Use Value for the property now of £4.50m. As a result of the costs being high and the achievable rents being relatively low, the appraisal is very sensitive (see sensitivity analysis below). This, and the underlying general weakness of demand for office accommodation in this locality, presents considerable risks to anyone contemplating an office scheme on this site. A full redevelopment would be even more expensive, however achievable rents are unlikely to be any higher. As such it feels unlikely that a purchaser would look to invest in excess of £20m to achieve a GDV of c.£27m. A more basic refurbishment would have no longevity and would fail to hit the EPC targets required in the medium term, meaning further and greater expenditure will be required in the future.

Opinion of Value

Existing Use Value

Existing Use Value of the property assuming the continuation of the current use as offices, assuming all hope value is excluded, including value arising from any planning permission or alternative use.

Our Valuation is **£4,500,000 (FOUR MILLION FIVE HUNDRED THOUSAND POUNDS) exclusive of VAT** which reflects a capital value per sq ft of c.£143.50 on the current NIA reflecting the extent of works required.

The Valuation includes purchaser's costs 6.3% These costs include Stamp Duty Land Tax (SDLT) at 4.8%.

Sensitivity Analysis

The residual method of valuation is very sensitive to changes in the key inputs. Small changes to variables such as sales volumes or build costs will have a disproportionate effect on land value. Site sales can therefore be susceptible to considerable variances as a result of changes in market conditions.

In the sensitivity analysis below, we demonstrate firstly how a +/- 5% change in construction costs and rental rates will affect the residual site value. In the second table we model the sensitivity of +/- 5% changes in the rent and the yield.

		Rent: Rate /ft ²				
		-10.000%	-5.000%	0.000%	5.000%	10.000%
Construction Costs (Gross)	-10.000%	£3,625,272	£4,606,981	£5,588,688	£6,570,394	£7,552,109
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
	-5.000%	£3,084,290	£4,066,002	£5,047,711	£6,029,418	£7,011,123
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
	0.000%	£2,543,313	£3,525,017	£4,506,733	£5,488,441	£6,470,148
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
5.000%	£2,002,335	£2,984,043	£3,965,754	£4,947,463	£5,929,171	
12.500%	12.500%	12.500%	12.500%	12.500%	12.500%	
10.000%	£1,461,353	£2,443,065	£3,424,771	£4,406,484	£5,388,193	
12.500%	12.500%	12.500%	12.500%	12.500%	12.500%	

		Yield				
		-0.5000%	-0.2500%	0.0000%	0.2500%	0.5000%
Rent: Rate /ft ²	4.7500%	£4,512,601	£3,478,616	£2,543,313	£1,693,220	£917,224
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
	-5.000%	£5,603,713	£4,512,293	£3,525,017	£2,627,701	£1,808,595
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
	0.000%	£6,694,824	£5,545,963	£4,506,733	£3,562,177	£2,699,965
	12.500%	12.500%	12.500%	12.500%	12.500%	12.500%
5.000%	£7,785,943	£6,579,630	£5,488,441	£4,496,666	£3,591,330	
12.500%	12.500%	12.500%	12.500%	12.500%	12.500%	
10.000%	£8,877,057	£7,613,306	£6,470,148	£5,431,147	£4,482,708	
12.500%	12.500%	12.500%	12.500%	12.500%	12.500%	

Appendices

Appendix: Valuation Printouts

One Battersea Bridge

Development Appraisal
CBRE
17 February 2022

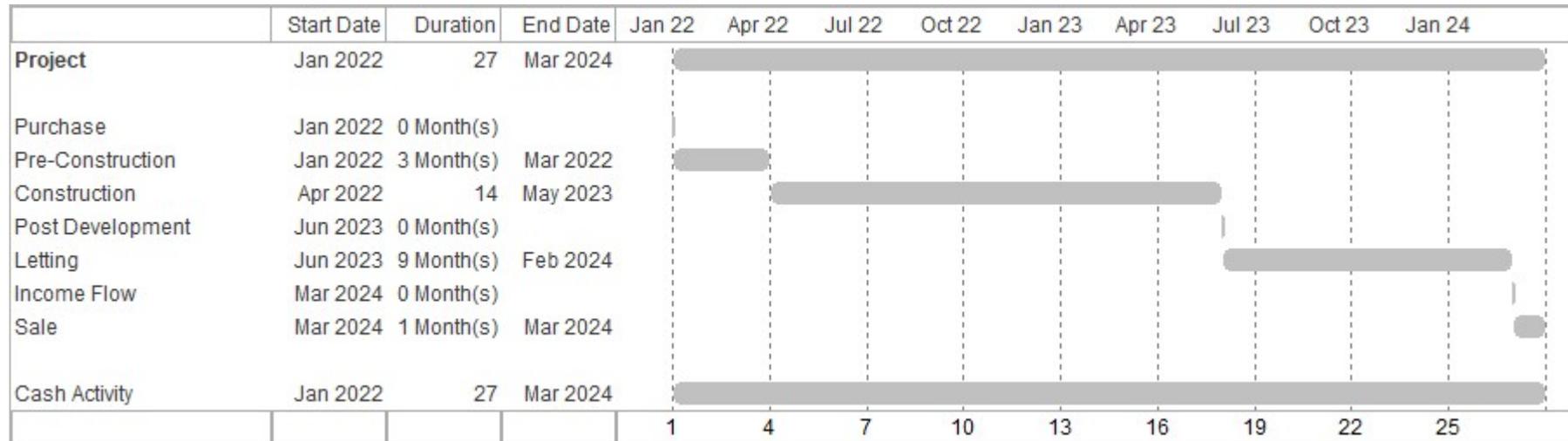
TIMESCALE AND PHASING CHART

CBRE

One Battersea Bridge

Project Timescale	
Project Start Date	Jan 2022
Project End Date	Mar 2024
Project Duration (Inc Exit Period)	27 months

Phase 1



APPRAISAL SUMMARY**CBRE****One Battersea Bridge****Appraisal Summary for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Fifth Floor	1	1,776	52.50	93,240	93,240	93,240
Fourth Floor	1	4,344	50.00	217,200	217,200	217,200
Third Floor	1	6,002	50.00	300,100	300,100	300,100
Second Floor	1	6,043	47.50	287,043	287,043	287,043
First Floor	1	6,937	45.00	312,165	312,165	312,165
Ground Floor Office	1	5,609	42.50	238,383	238,383	238,383
BSMT	1	229	196.51	45,000	45,000	45,000
Totals	7	30,940			1,493,130	1,493,130

Investment Valuation**Fifth Floor**

Market Rent	93,240	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	1,687,411

Fourth Floor

Market Rent	217,200	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,930,777

Third Floor

Market Rent	300,100	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	5,431,060

Second Floor

Market Rent	287,043	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	5,194,752

APPRAISAL SUMMARY**CBRE****One Battersea Bridge**

First Floor					
Market Rent	312,165	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	5,649,406
Ground Floor Office					
Market Rent	238,383	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	4,314,127
BSMT					
Current Rent	45,000	YP @	5.2500%	19.0476	857,143
Total Investment Valuation					27,064,676
GROSS DEVELOPMENT VALUE				27,064,676	
Purchaser's Costs			(405,970)		
Effective Purchaser's Costs Rate		1.50%		(405,970)	
NET DEVELOPMENT VALUE				26,658,706	
NET REALISATION				26,658,706	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			4,506,733		
				4,506,733	
Stamp Duty			216,337		
Effective Stamp Duty Rate		4.80%			
Agent Fee		1.00%	45,067		
Legal Fee		0.50%	22,534		
				283,938	

APPRAISAL SUMMARY**CBRE****One Battersea Bridge****CONSTRUCTION COSTS**

Construction	ft²	Build Rate	ft²	Cost
Fifth Floor	2,458	195.00		479,310
Fourth Floor	5,433	195.00		1,059,435
Third Floor	8,159	195.00		1,591,005
Second Floor	8,099	195.00		1,579,305
First Floor	7,933	195.00		1,546,935
Ground Floor Office	7,991	195.00		1,558,245
BSMT	11,662	195.00		2,274,090
Sixth Floor	<u>762</u>	195.00		<u>148,590</u>
Totals	52,497 ft²			10,236,915
Contingency		5.00%		714,793
				10,951,708
Other Construction				
Facade Refurbishment				3,000,000
External Works				1,058,953
				4,058,953
PROFESSIONAL FEES				
Other Professionals		12.00%		1,715,504
				1,715,504
MARKETING & LETTING				
Marketing				30,000
Letting Agent Fee		10.00%		149,313
Letting Legal Fee		5.00%		74,657
				253,970
DISPOSAL FEES				
Sales Agent Fee		1.00%		266,587
Sales Legal Fee		0.50%		133,294
				399,881
FINANCE				
Debit Rate 4.750%, Credit Rate 4.750% (Nominal)				
Land				311,477
Construction				411,722
Letting				802,742

APPRAISAL SUMMARY**CBRE****One Battersea Bridge**

Total Finance Cost	1,525,941
TOTAL COSTS	23,696,627
PROFIT	2,962,079

Performance Measures

Profit on Cost%	12.50%
Profit on GDV%	10.94%
Profit on NDV%	11.11%
Development Yield% (on Rent)	6.30%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%
IRR% (without Interest)	13.09%
Rent Cover	1 yr 12 mths
Profit Erosion (finance rate 4.750)	2 yrs 6 mths

Sensitivity Analysis Report

Table of Land Cost and Profit on Cost%

Rent: Rate /ft ²					
Construction: Gross Cost	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%	-3,625,272	-4,606,981	-5,588,688	-6,570,394	-7,552,109
	12.500%	12.500%	12.500%	12.500%	12.500%
-5.000%	-3,084,290	-4,066,002	-5,047,711	-6,029,418	-7,011,123
	12.500%	12.500%	12.500%	12.500%	12.500%
0.000%	-2,543,313	-3,525,017	-4,506,733	-5,488,441	-6,470,148
	12.500%	12.500%	12.500%	12.500%	12.500%
5.000%	-2,002,335	-2,984,043	-3,965,754	-4,947,463	-5,929,171
	12.500%	12.500%	12.500%	12.500%	12.500%
10.000%	-1,461,353	-2,443,065	-3,424,771	-4,406,484	-5,388,193
	12.500%	12.500%	12.500%	12.500%	12.500%

Sensitivity Analysis : Assumptions for Calculation

Rent: Rate /ft²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Fifth Floor	1	52.50	2.00 Up & Down
Fourth Floor	1	50.00	2.00 Up & Down
Third Floor	1	50.00	2.00 Up & Down
Second Floor	1	47.50	2.00 Up & Down
First Floor	1	45.00	2.00 Up & Down
Ground Floor Office	1	42.50	2.00 Up & Down
BSMT	1	196.51	2.00 Up & Down

Construction: Gross Cost

Original Values are varied by Steps of 5.000%.

Heading	Phase	Amount	No. of Steps
Fifth Floor	1	479,310	2.00 Up & Down
Fourth Floor	1	1,059,435	2.00 Up & Down
Third Floor	1	1,591,005	2.00 Up & Down
Second Floor	1	1,579,305	2.00 Up & Down
First Floor	1	1,546,935	2.00 Up & Down
Ground Floor Office	1	1,558,245	2.00 Up & Down
BSMT	1	2,274,090	2.00 Up & Down
Sixth Floor	1	148,590	2.00 Up & Down

Sensitivity Analysis Report

Table of Land Cost and Profit on Cost%

Rent: Yield					
Rent: Rate /ft ²	-0.5000%	-0.2500%	0.0000%	0.2500%	0.5000%
	4.7500%	5.0000%	5.2500%	5.5000%	5.7500%
-10.000%	-4,512,601	-3,478,616	-2,543,313	-1,693,220	-917,224
	12.500%	12.500%	12.500%	12.500%	12.500%
-5.000%	-5,603,713	-4,512,293	-3,525,017	-2,627,701	-1,808,595
	12.500%	12.500%	12.500%	12.500%	12.500%
0.000%	-6,694,824	-5,545,963	-4,506,733	-3,562,177	-2,699,965
	12.500%	12.500%	12.500%	12.500%	12.500%
5.000%	-7,785,943	-6,579,630	-5,488,441	-4,496,666	-3,591,330
	12.500%	12.500%	12.500%	12.500%	12.500%
10.000%	-8,877,057	-7,613,306	-6,470,148	-5,431,147	-4,482,708
	12.500%	12.500%	12.500%	12.500%	12.500%

Sensitivity Analysis : Assumptions for Calculation

Rent: Yield

Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Fifth Floor	1	5.2500%	2.00 Up & Down
Fourth Floor	1	5.2500%	2.00 Up & Down
Third Floor	1	5.2500%	2.00 Up & Down
Second Floor	1	5.2500%	2.00 Up & Down
First Floor	1	5.2500%	2.00 Up & Down
Ground Floor Office	1	5.2500%	2.00 Up & Down
BSMT	1	5.2500%	2.00 Up & Down

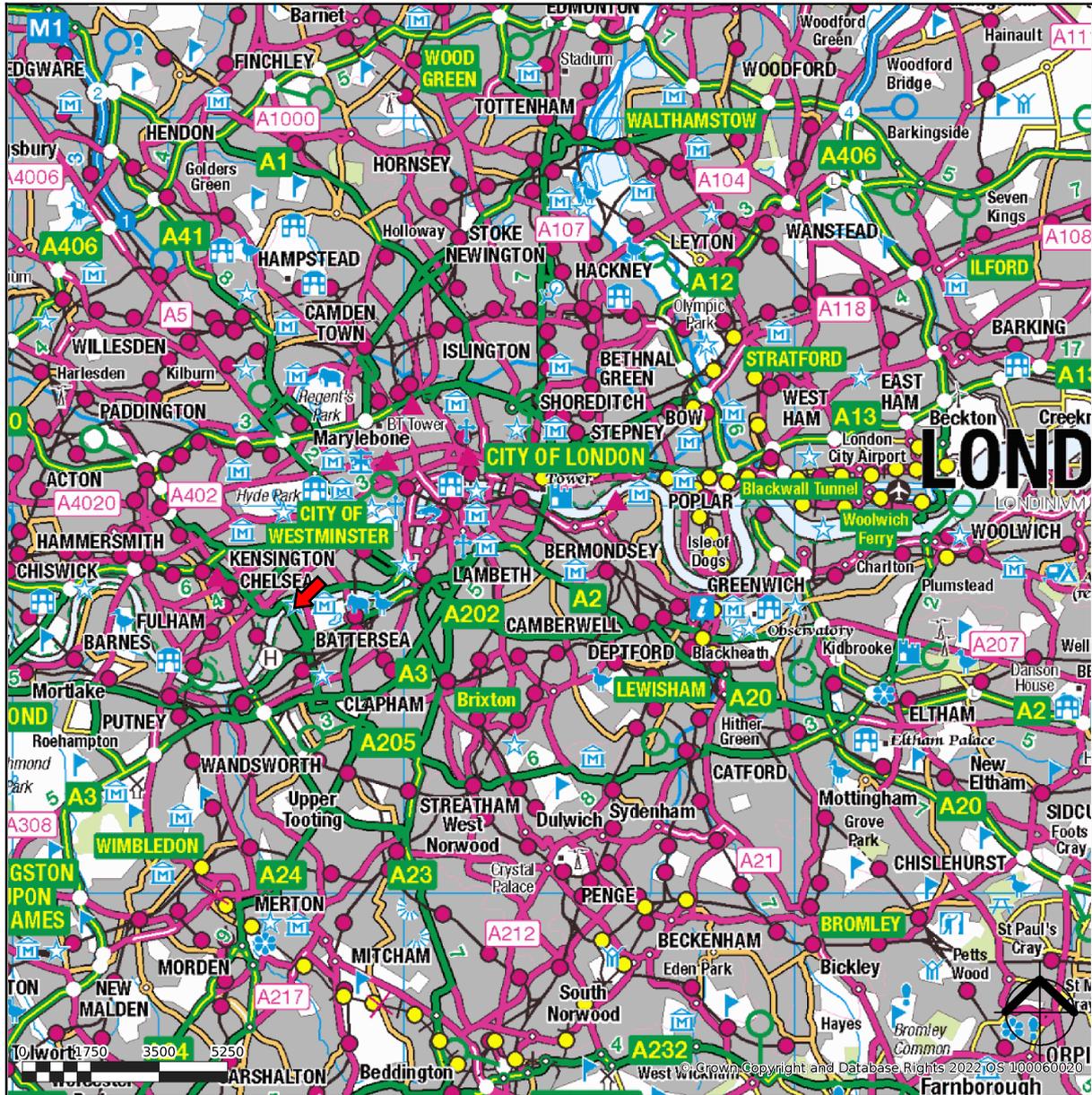
Rent: Rate /ft²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Fifth Floor	1	52.50	2.00 Up & Down
Fourth Floor	1	50.00	2.00 Up & Down
Third Floor	1	50.00	2.00 Up & Down
Second Floor	1	47.50	2.00 Up & Down
First Floor	1	45.00	2.00 Up & Down
Ground Floor Office	1	42.50	2.00 Up & Down
BSMT	1	196.51	2.00 Up & Down

Appendix: Location Plans

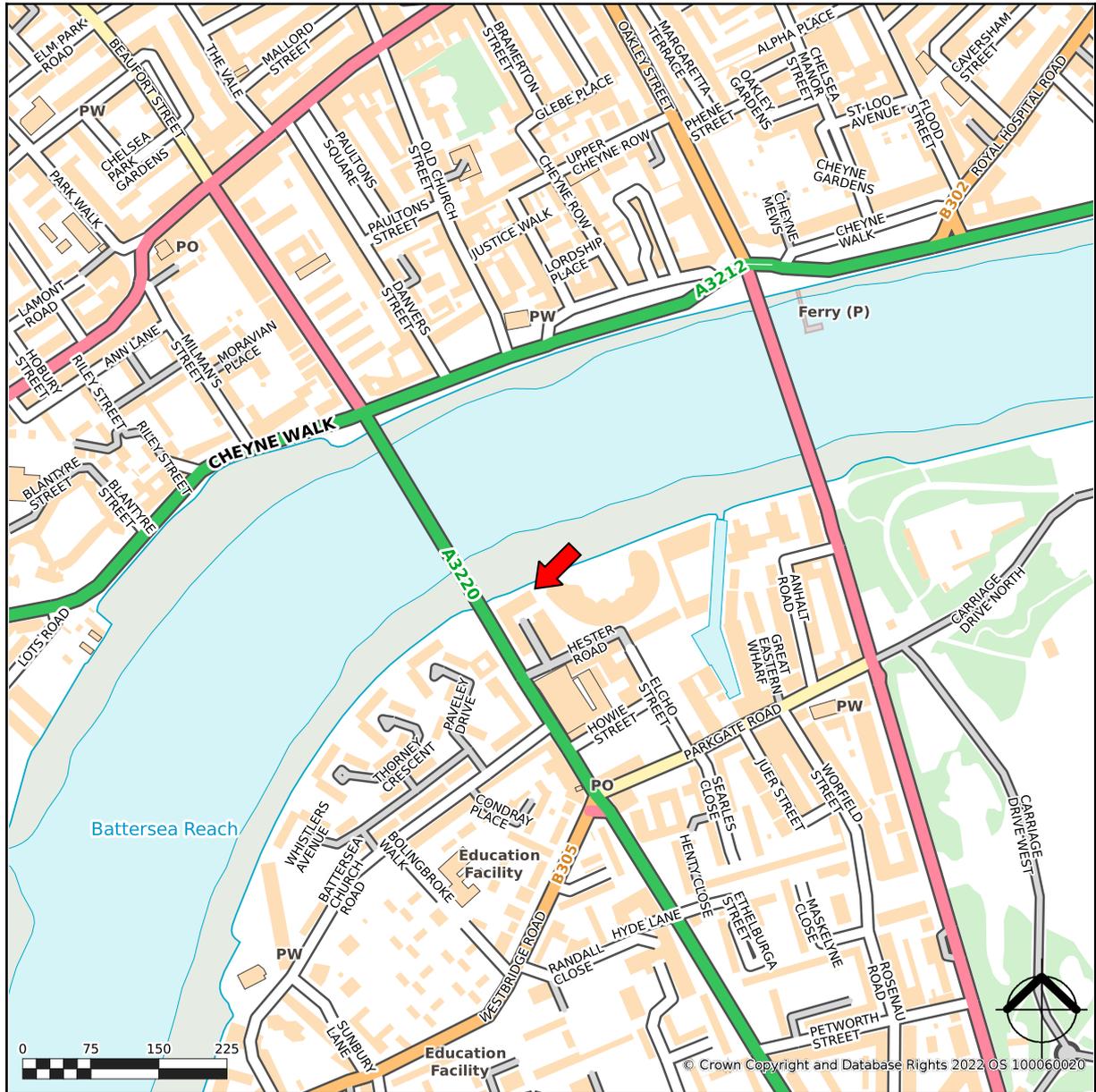
The Glassmill, One Battersea Bridge Road, London, SW11 3BZ



created on **edozo**

Plotted Scale - 1:175,000

The Glassmill, One Battersea Bridge Road, London, SW11 3BZ



created on **edozo**

Plotted Scale - 1:7,500

The Glassmill, One Battersea Bridge Road, London, SW11 3BZ



created on edozo

Plotted Scale - 1:1,250

Appendix: Sources of Information, Verification and Assumptions

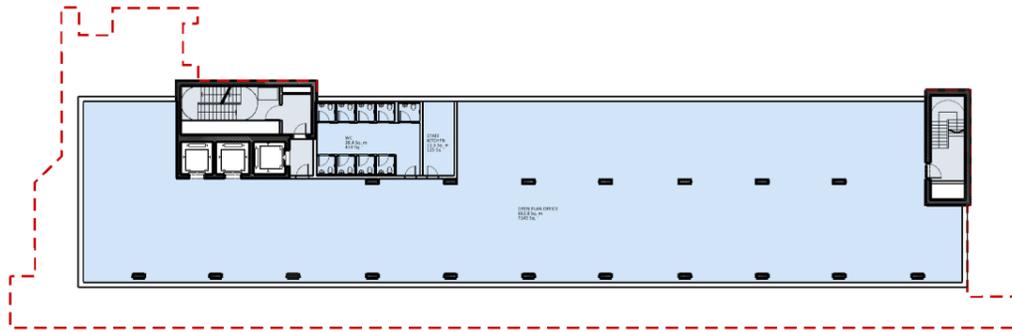
We have carried out our work based upon information supplied to us as set out in the table below.

Document or email title / contents	Date of document / email	Status – draft or final	Source	Extent of verification	Information provided by third parties: Assumptions Special Assumptions
Areas Measured survey	March 2020	Final	CBRE Geomatics and 3D Services,	None	We assume the measurements provided are correct, comprehensive, and have been calculated using the Gross Internal Area (GIA) and Net Internal Area (NIA)/International Property Measurement Standard (IPMS) 3 – Office/Residential] measurement methodology as set out in the RICS Code of measuring practice (6th edition).
Tenure Report on title	None provided	N/A	N/A	N/A	We have been provided with the Official Title Register which confirms the property is held Freehold.
Tenancies Tenancy schedule	N/A	N/A	N/A	N/A	The client informed us that the tenants occupy the space on short licences and vacant possession is achievable at short notice.
Building survey	None provided	None provided	N/A	None	See general assumptions and comments on inspection
Build Costs	January 2022	N/A	BCIS	None	We have been provided with high level cost advice from CBRE Cost Consultancy team who have used data from BCIS. The cost advice is very high level and based on the limited amount of information provided.
Environmental Environmental Due Diligence report	April 2020	Final	CBRE	None	We have relied upon the findings in the Environmental Due Diligence report, prepared by CBRE.
Energy Performance Certificate	May 2012	N/A	EPC Register	None	Publicly available information.
Planning	N/A	N/A	Wandsworth Borough Website	Public Information	We have relied upon publicly available information accessed through the London Borough of Wandsworth online planning website.

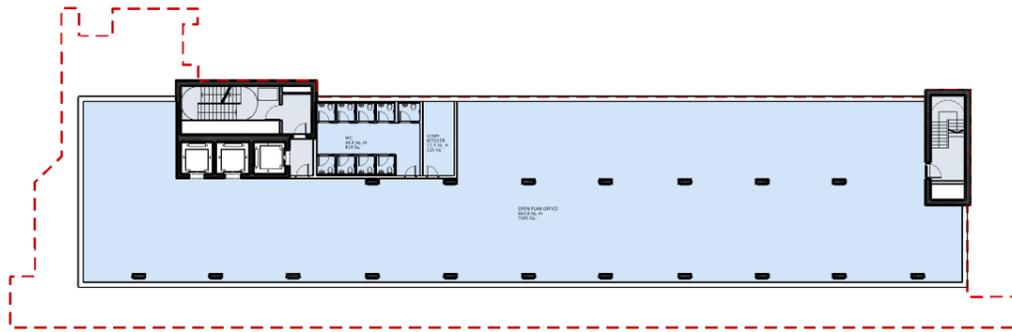
If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figure may also be incorrect and should be reconsidered

APPENDIX 2 - Floorplans & Accommodation Schedule

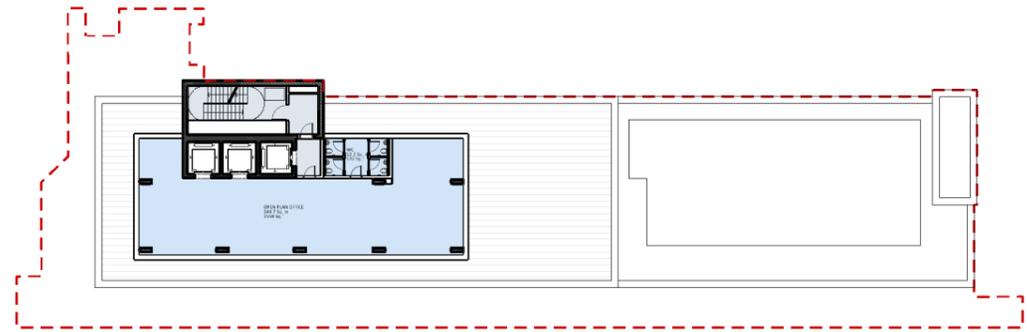
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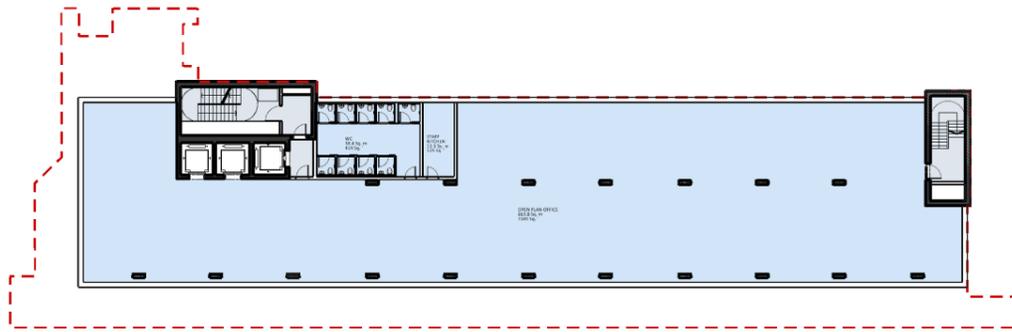
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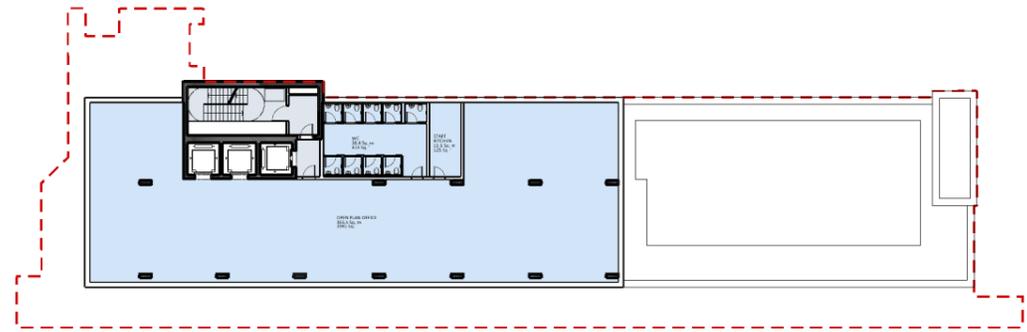
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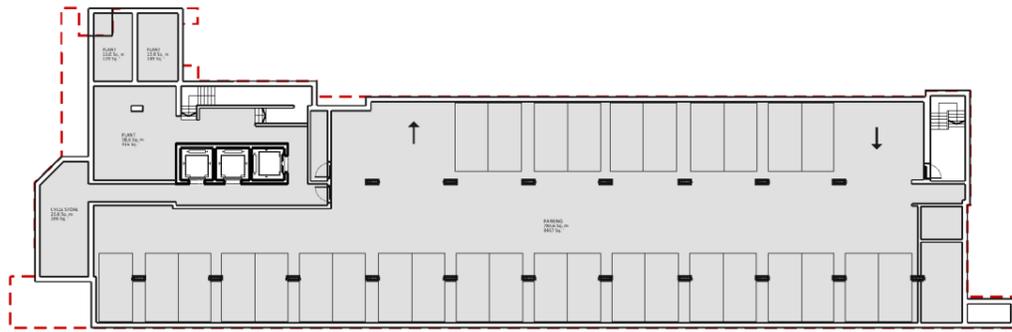
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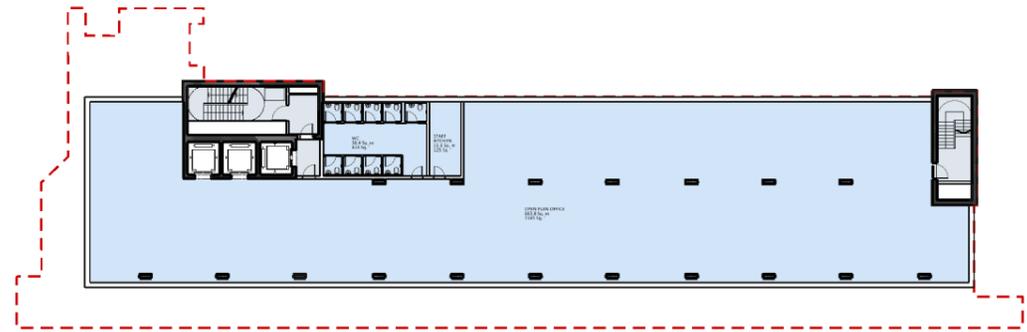
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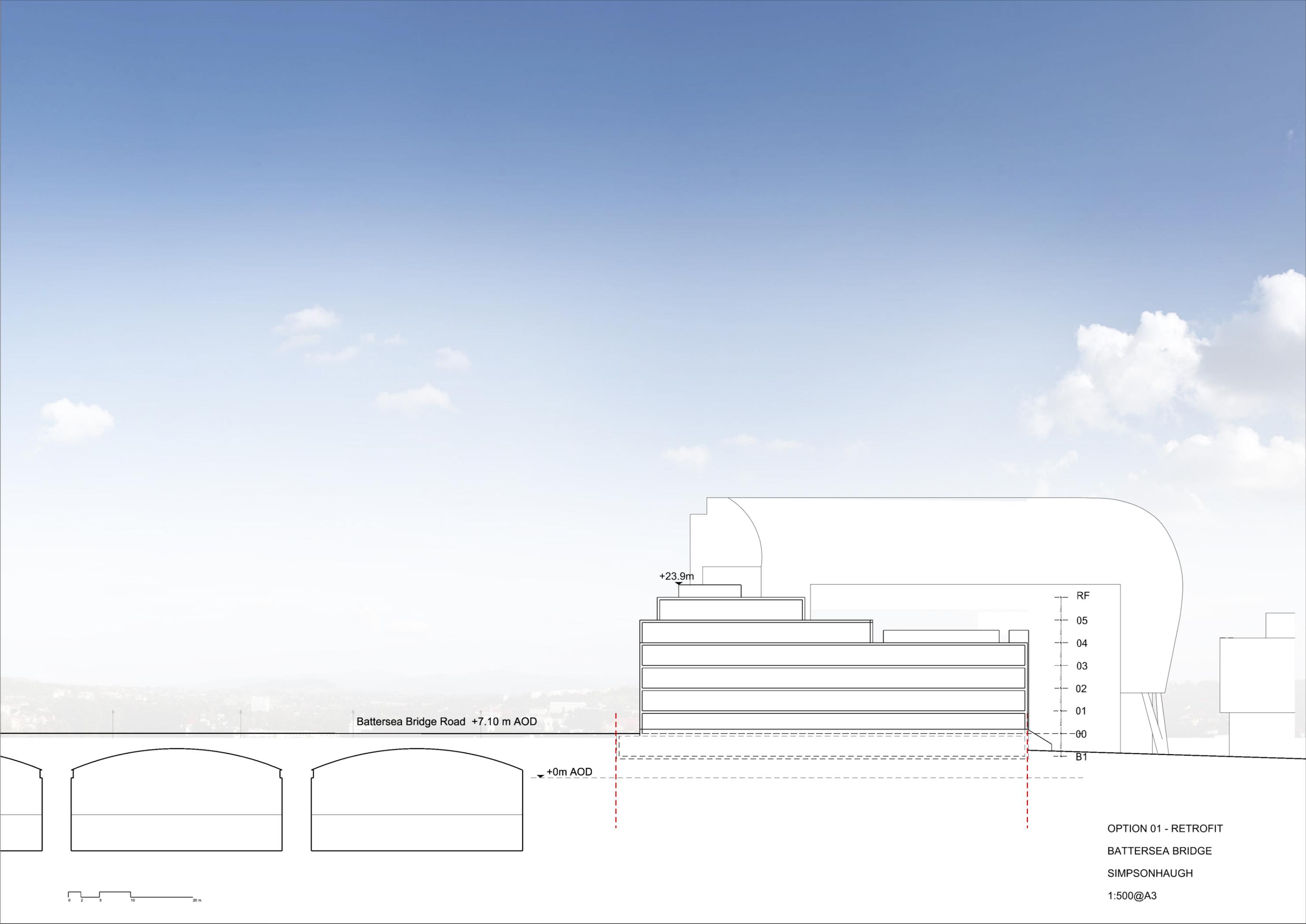
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03



OPTION 01 - RETROFIT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+23.9m

+0m AOD

RF

05

04

03

02

01

00

B1

OPTION 01 - RETROFIT

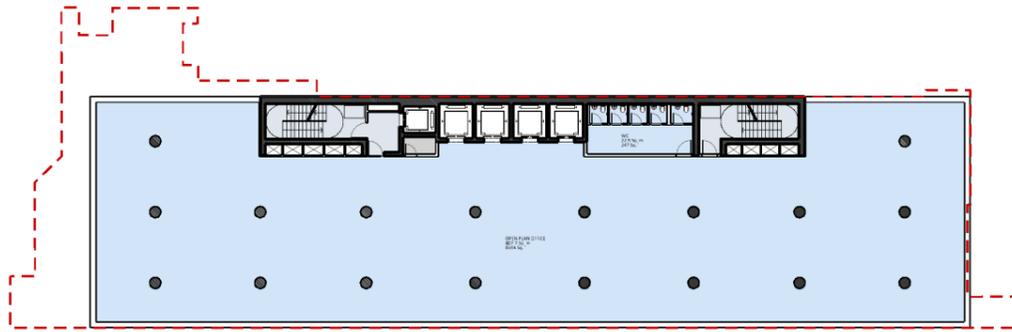
BATTERSEA BRIDGE

SIMPSONHAUGH

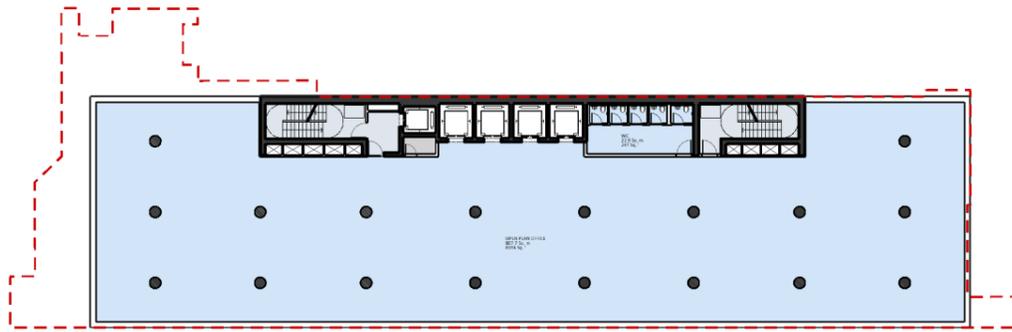
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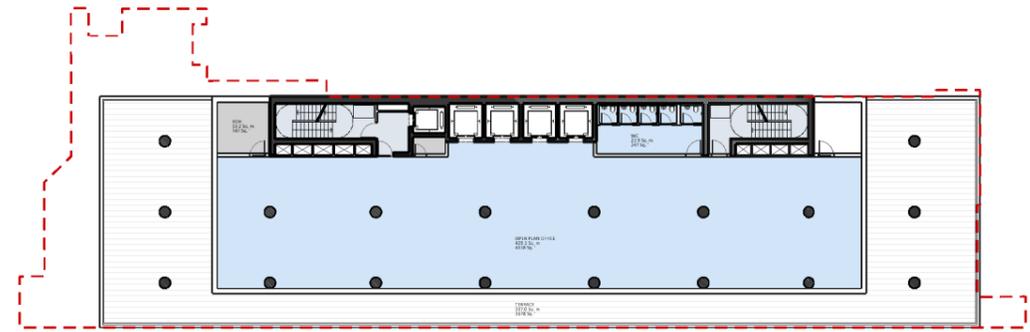
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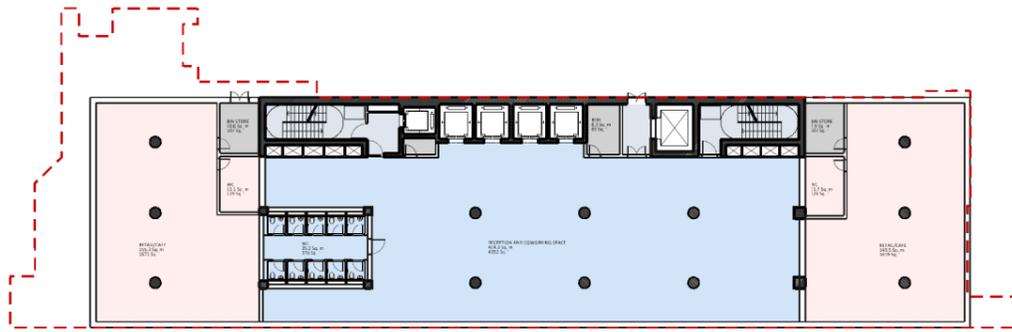
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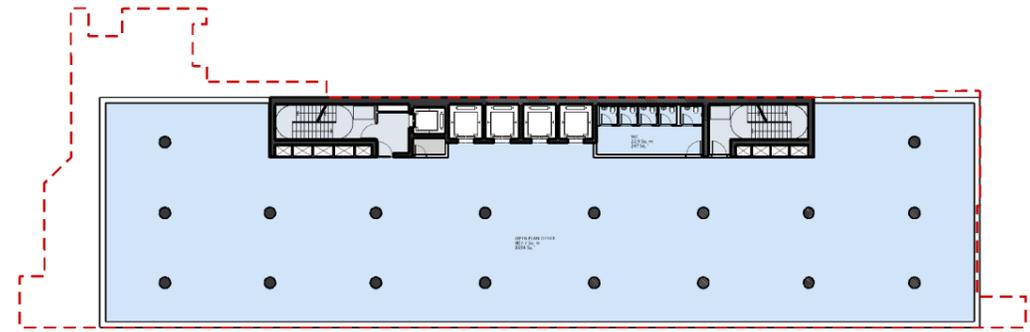
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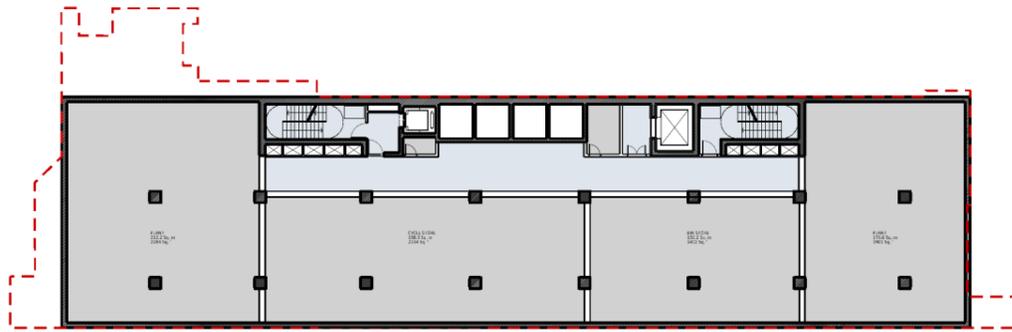
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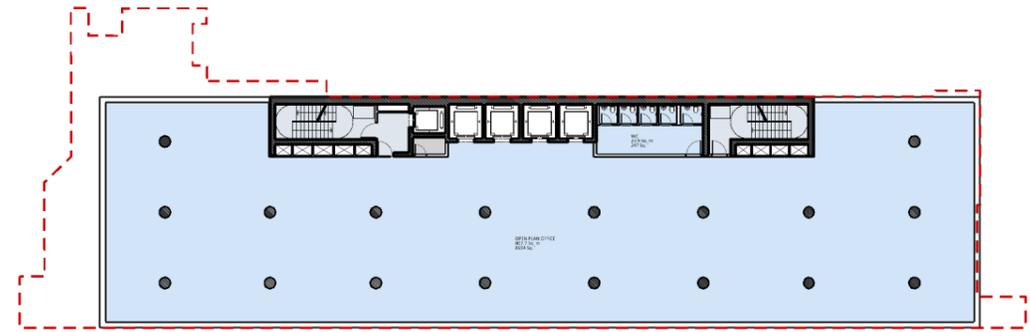
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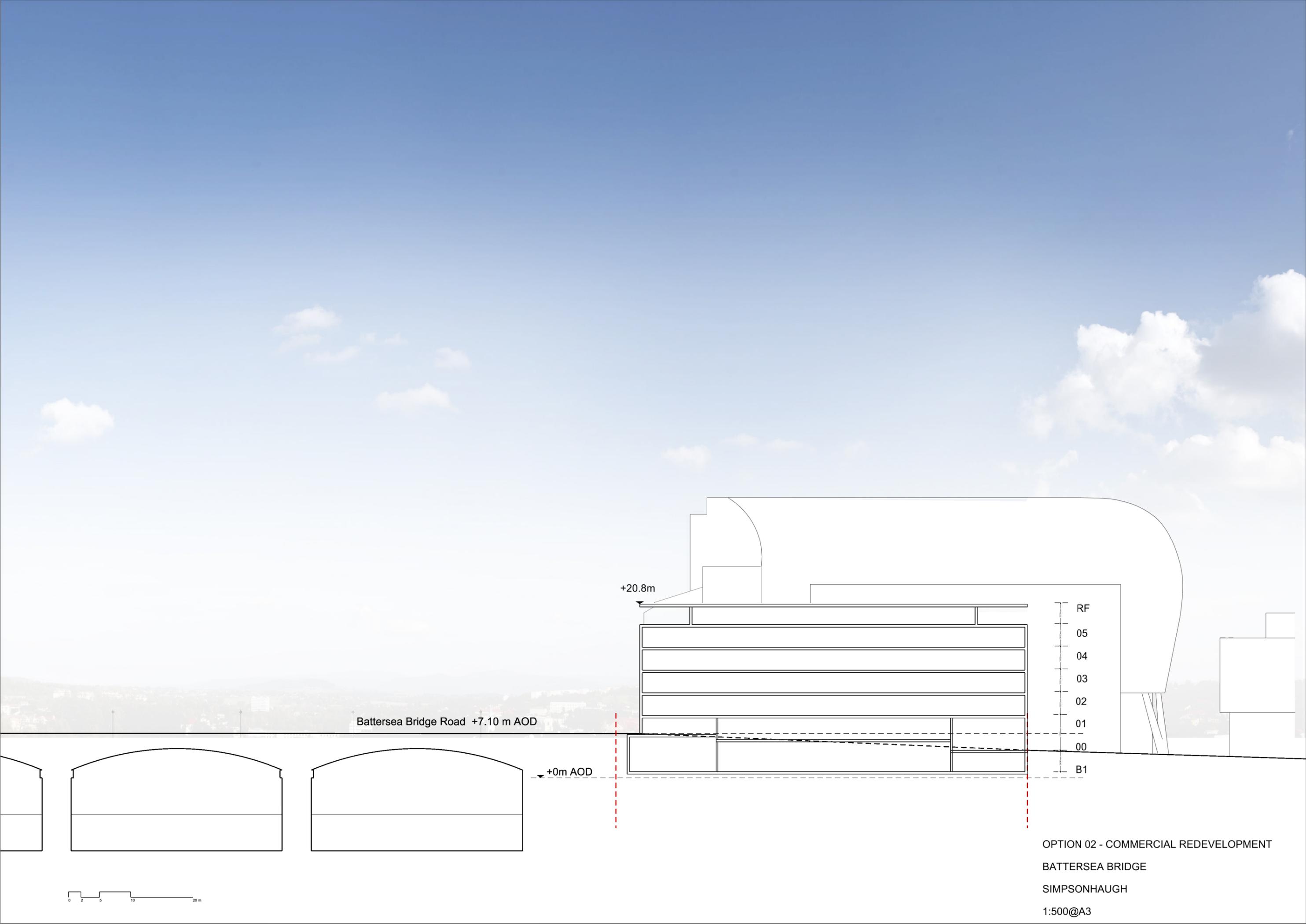
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03



OPTION 02 - COMMERCIAL REDEVELOPMENT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+20.8m

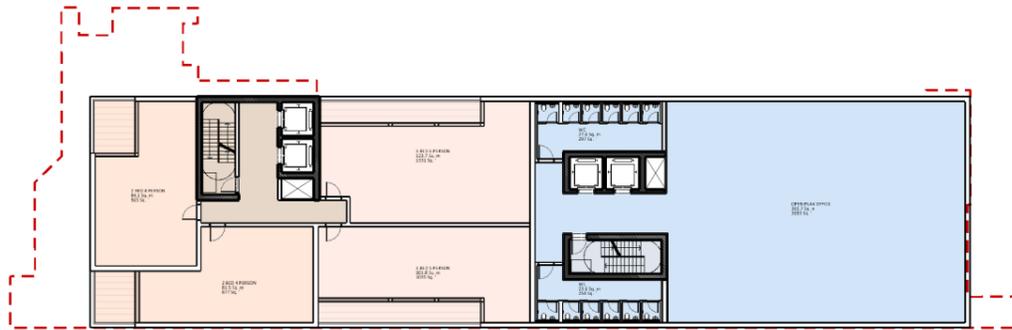
+0m AOD

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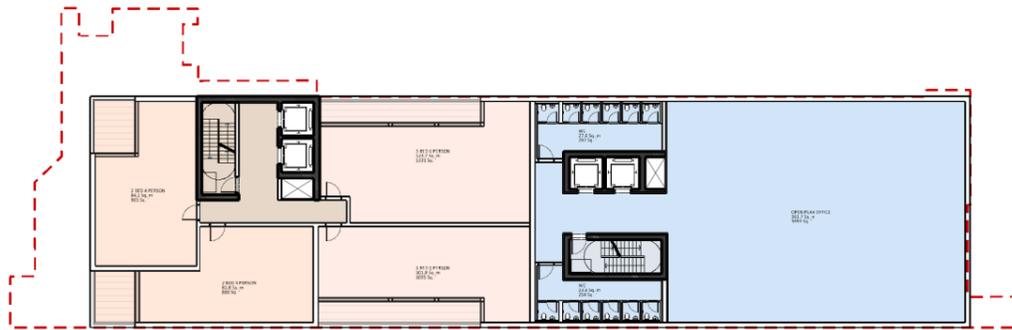
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OPTION 02 - COMMERCIAL REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
1:500@A3

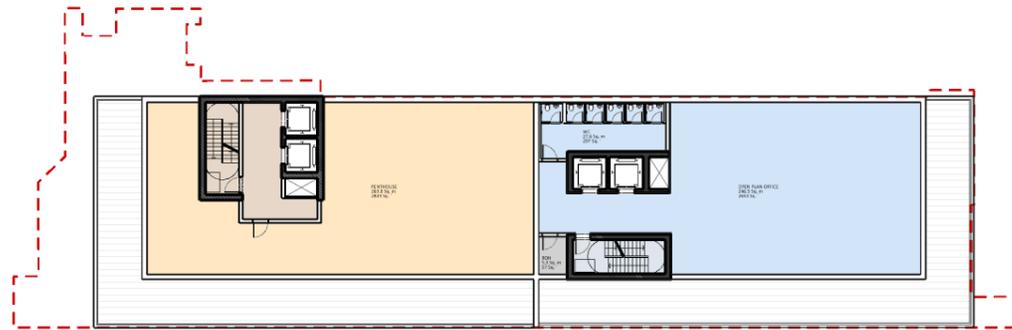
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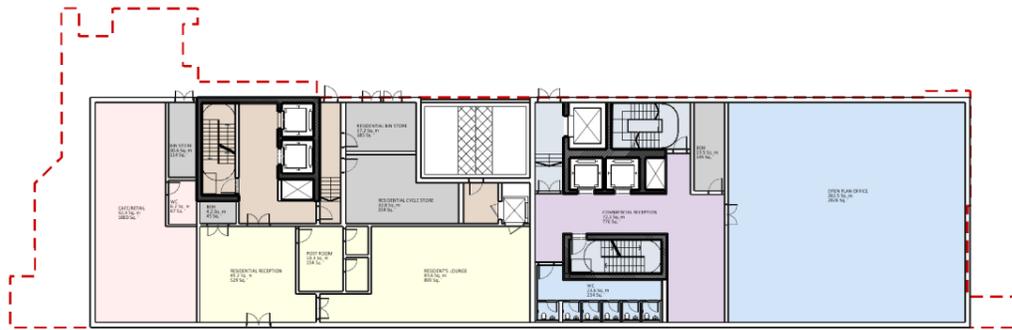
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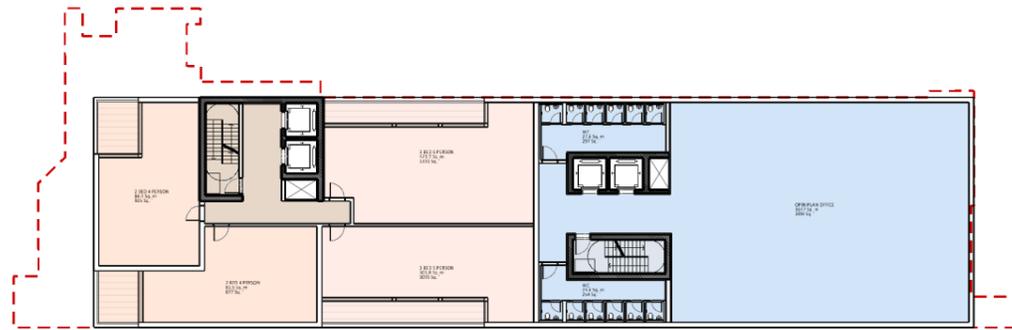
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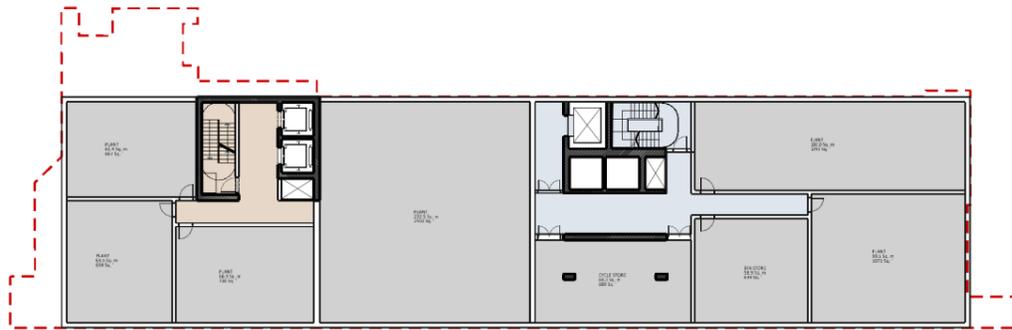
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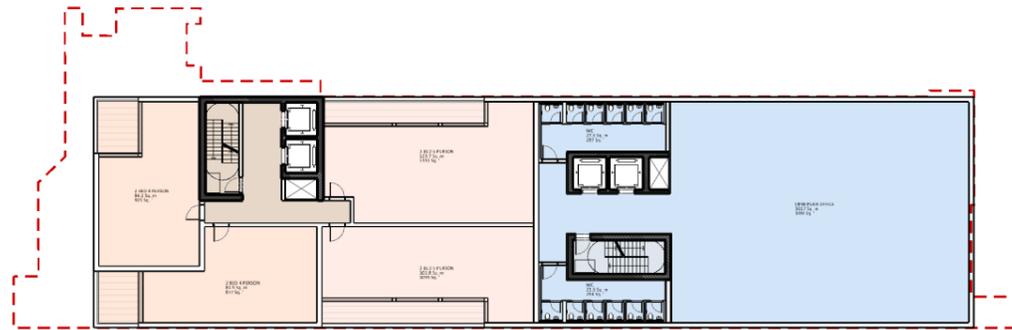
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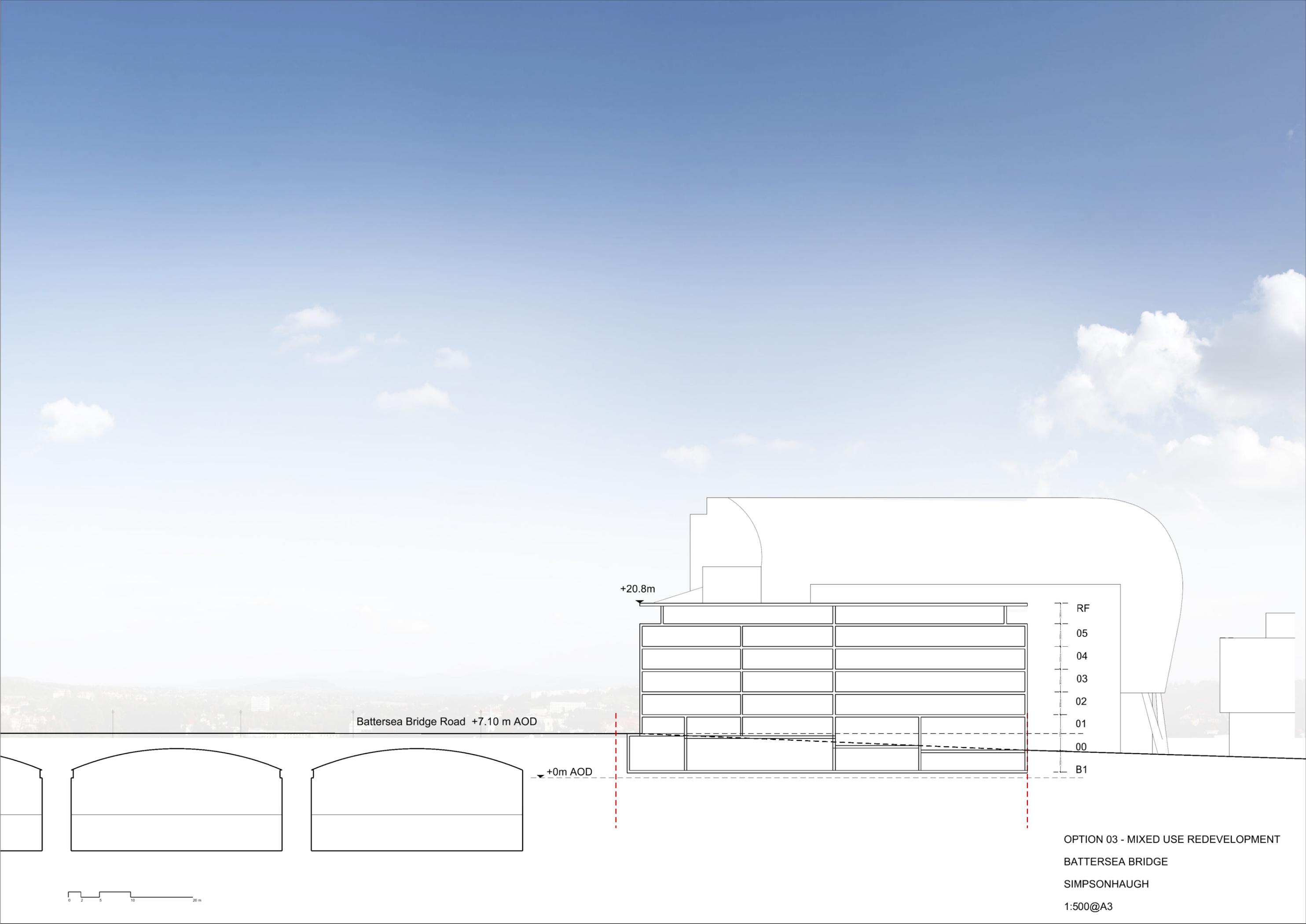


OPTION 03 - MIXED USE REDEVELOPMENT

BATTERSEA BRIDGE

SIMPSONHAUGH

1:500@A3



+20.8m

Battersea Bridge Road +7.10 m AOD

+0m AOD

RF
05
04
03
02
01
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B1

0 2 5 10 20 m

OPTION 03 - MIXED USE REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
1:500@A3

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
									Residential Demise				Commercial Demise			
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

Option 03 Total	
GIA (sqft)	69710
NIA (sqft)	42510

Option 01 Retrofit	-	Commercial	NIA (sqm)	663.8
	-		NIA (sqft)	7145
Option 02 Commercial Redevelopment	-	Retail/Café	NIA (sqm)	304.8
	-		NIA (sqft)	3281
	-	Commercial	NIA (sqm)	404.3
	-		NIA (sqft)	4352
Option 03 Mixed Redevelopment	Residential Demise	Retail/Café	NIA (sqm)	92.9
			NIA (sqft)	1000
	Commercial Demise	Commercial	NIA (sqm)	262.5
			NIA (sqft)	2826
		Lobby Area	NIA (sqm)	72.1
			NIA (sqft)	776

Option 03 - Unit Breakdown				
Floor	Unit Number	Unit Type	sqm	sqft
01	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.8	880
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
02	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
03	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
04	Unit 1	2B4P	84.1	905
	Unit 2	2B4P	81.5	877
	Unit 3	3B6P	123.7	1331
	Unit 4	3B5P	101.8	1096
05	Unit 1	Penthouse	263.8	2840
Total			1828.5	19682

NIA excludes back of house and support areas, circulation, and WCs.

AREA SCHEDULE
BATTERSEA BRIDGE
VIABILITY OPTIONS
SIMPSONHAUGH

APPENDIX 3 - Summary of Appraisal Assumptions

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Scenario 2 Summary of Appraisal		
Appraisal Input	Appraisal Assumption	Source/Comments
Areas		
Commercial GIA	6,370 sq m (68,570 sq ft)	Accommodation schedule attached at Appendix 2.
Commercial NIA	4,369 sq m (47,027 sq ft)	
Programme & Sales Timings		
Development programme	6 month pre construction. 18 month construction period 34 month total project programme	
Revenue		
Retail Rent	£35 per sq ft	Please refer to comparable evidence and analysis provided at Appendix 5
Retail Yield	6%	Please refer to comparable evidence and analysis provided at Appendix 5
Commercial Rent	£2,205,008	Please refer to comparable evidence and analysis provided at Appendix 5
Commercial Yield	5.25%	Please refer to comparable evidence and analysis provided at Appendix 5
Purchasers Cost	6.8%	Based upon standard market assumptions and in accordance with LBW Whole Plan Viability Assessment

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Commercial Letting	1 Year Rent Free 9 month Letting Void	Based on DS2's experience of other similar developments and comparable properties. The letting void is 9 months to reflect that the Site is located in a peripheral commercial location and lacks good public transport amenity.
Total GDV	£39,632,479	
Costs		
Core construction costs	£28,213,181	Cost plan provided by CBRE provided at Appendix 6
Contingency	5%	A 5% contingency has been applied to the construction costs, this is in accordance with the LBW Whole Plan Viability Assessment.
Professional fees	12%	Based on DS2's experience of other similar developments and standard market assumptions, this is in accordance with the LBW Whole Plan Viability Assessment.
S106	-	We have not included S106, these figures are to be confirmed.
CIL (LBI&MCIL)	-	We have not included CIL, these figures are to be confirmed.

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Commercial Sales & Disposal Costs	1.5%	1% for agents and 0.5% for legals. Based on DS2's experience of other similar developments and standard market assumptions and in accordance with the Whole Plan Viability Assessment.
Commercial Letting Fees	15%	10% for letting agent and 5% for letting legal fees. Based on DS2's experience of other similar developments and in accordance with the Whole Plan Viability Assessment.
Finance	6.5%	Standard assumption for site specific viability assessments, reflective of the nature of development at the Site.
Profit Target	15% on GDV	Standard assumption for commercial development in planning viability and in accordance with the Whole Plan Viability Assessment
Residual Land Value	- £5,467,446	

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One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Summary of Proposed Scheme Appraisal		
Appraisal Input	Appraisal Assumption	Source/Comments
Areas		
Residential NSA	1,829 sq m (19,682 sq ft)	Accommodation schedule attached at Appendix 2.
Residential GIA	3,272 sq m (35,225 sq ft)	
Commercial GIA	3,204 sq m (34,485 sq ft)	
Commercial NIA (excluding community centre)	2,121 sq m (22,828 sq ft)	
Total GIA	6,476 sq m (69,710 sq ft)	
Programme & Sales Timings		
Development programme	6 month pre construction. 18 month construction period 36 month total project programme	
Private Residential Sales timings	50% units sold off plan with the remaining units sold circa 1 per month for the following 5 months post completion.	This is reflective of comparable development schemes.
Revenue		
Private Residential	£17,107,500 (£1,250 per sq ft)	Please refer to comparable evidence and analysis provided at Appendix 7.

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Intermediate (London Living Rent)	£666,178 (£373 per sq ft)	<p>The 2 intermediate units within the scheme have been modelled as London Living Rent equating to £373 per sq ft.</p> <p>Please note in compliance with LBW policy 40% of intermediate units should be provided as First Homes, however the prevailing market values in the area mean that with the discount of 30% of market value the value per unit exceeds the £420,000 cap.</p>
Social rented units	£740,960 (£176 per sq ft)	4 social rented units within the scheme.
Retail Rent	£35 per sq ft	Please refer to comparable evidence and analysis provided at Appendix 5
Retail Yield	6%	Please refer to comparable evidence and analysis provided at Appendix 5
Commercial Rent	£971,990 (£42.7 per sq ft blend)	<p>Please refer to comparable evidence and analysis provided at Appendix 5</p> <p>The rents differ from the full commercial redevelopment to reflect that the commercial units will be located to the south of the building overlooking Hester Road and therefore will not benefit from riverside outlook.</p>

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Commercial Yield	5.25%		Please refer to comparable evidence and analysis provided at Appendix 5
Costs			
Core construction costs	£34,462,905		Cost plan provided by CBRE provided at Appendix 6
Contingency	5%		A 5% contingency has been applied to the construction costs, this is in accordance with the LBW Whole Plan Viability Assessment.
Professional fees	12%		Based on DS2's experience of other similar developments and standard market assumptions, this is in accordance with the LBW Whole Plan Viability Assessment.
S106	-		We have not included S106, these figures are to be confirmed.
CIL (LBI&MCIL)	-		We have not included CIL, these figures are to be confirmed.
Residential Sales & Disposal Costs	Private Residential Legal Fee	£1,000 per unit	Based on DS2's experience of other similar developments and standard market assumptions. The total does equals 1.57% of private residential GDV and therefore does not exceed the 3% as outlined in the LBW Whole Plan Viability Assessment.
	Private Residential Sales Agent Fee	1.5%	

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Commercial Sales & Disposal Costs	1.5%	1% for agents and 0.5% for legals. Based on DS2's experience of other similar developments and standard market assumptions. Please refer to DS2's comments provided within DS2's Response to BPS Chartered Surveyors Initial Viability Review (26 January 2021).
Commercial Letting Fees	15%	10% for letting agent and 5% for letting legal fees. Based on DS2's experience of other similar developments.
Purchasers Costs	6.8%	Based on DS2's experience of other similar developments and in accordance with LBW Whole Plan Viability Assessment
Finance	6.5%	Standard assumption for site specific viability assessments, reflective of the nature of development at the Site.
Profit Target	16% on GDV	Standard assumption for mixed use regeneration in planning viability, reflecting a 17.5% profit on private residential, 6% on affordable housing and 15% on the commercial element. This is in accordance with LBW Whole Plan Viability Assessment

One Battersea Bridge Road Scenario testing - Summary of appraisal inputs

Residual Land Value	-£13,297,282	
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CONFIDENTIAL

APPENDIX 4 - Appraisals

One Battersea Bridge Road
WITHOUT PREJUDICE
Option 2- Commercial Redevelopment

Development Appraisal
DS2 LLP
28 February 2022

**One Battersea Bridge Road
WITHOUT PREJUDICE
Option 2- Commercial Redevelopment**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Floor Retail	1	3,281	35.00	114,835	114,835	114,835
Ground Floor Reception/Coworking	1	4,352	40.00	174,080	174,080	174,080
First Floor	1	8,694	45.00	391,230	391,230	391,230
Second Floor	1	8,694	47.50	412,965	412,965	412,965
Third Floor	1	8,694	50.00	434,700	434,700	434,700
Fourth Floor	1	8,694	50.00	434,700	434,700	434,700
Fifth Floor	<u>1</u>	<u>4,619</u>	52.50	242,498	<u>242,498</u>	<u>242,498</u>
Totals	7	47,028			2,205,008	2,205,008

Investment Valuation

Ground Floor Retail

Market Rent	114,835	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	1,805,582

Ground Floor Reception/Coworking

Market Rent	174,080	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,150,413

First Floor

Market Rent	391,230	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	7,080,285

Second Floor

Market Rent	412,965	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	7,473,634

Third Floor

Market Rent	434,700	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	7,866,983

Fourth Floor

Market Rent	434,700	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	7,866,983

Fifth Floor

Market Rent	242,498	YP @	5.2500%	19.0476	
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APPRAISAL SUMMARY**DS2 LLP**
One Battersea Bridge Road
WITHOUT PREJUDICE
Option 2- Commercial Redevelopment

(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	4,388,599
Total Investment Valuation					39,632,479
GROSS DEVELOPMENT VALUE					39,632,479
Purchaser's Costs		6.8%	-2,695,009		
Effective Purchaser's Costs Rate		6.8%			-2,695,009
NET DEVELOPMENT VALUE					36,937,471
NET REALISATION					36,937,471
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			-5,467,446		-5,467,446
CONSTRUCTION COSTS					
Construction					
	ft²	Build Rate	ft²	Cost	
Construction Costs	68,570	411.45		28,213,181	28,213,181
Contingency		5.0%		1,410,659	
S106				1	
CIL				1	
					1,410,661
PROFESSIONAL FEES					
Professional Fees		12.0%	3,385,582		3,385,582
MARKETING & LETTING					
Marketing	47,028 ft ²	2.5		117,570	
Letting Agent Fee		10.0%		220,501	
Letting Legal Fee		5.0%		110,250	
					448,321
DISPOSAL FEES					
Sales Agent Fee		1.0%	369,375		
Sales Legal Fee		0.5%	184,687		
					554,062
TOTAL COSTS BEFORE FINANCE					28,544,361
FINANCE					

**One Battersea Bridge Road
WITHOUT PREJUDICE****Option 2- Commercial Redevelopment**

Timescale	Duration	Commences
Pre-Construction	6	Feb 2022
Construction	18	Aug 2022
Letting	9	Feb 2024
Sale	1	Nov 2024
Total Duration	34	

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Land	-441,593	
Construction	1,469,144	
Letting	1,420,687	
Total Finance Cost		2,448,238

TOTAL COSTS**30,992,599****PROFIT****5,944,872****Performance Measures**

Profit on Cost%	19.2%
Profit on GDV%	15.0%
Development Yield% (on Rent)	7.1%
Equivalent Yield% (Nominal)	5.3%
Equivalent Yield% (True)	5.5%
IRR% (without Interest)	24.1%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 6.500)	2 yrs 9 mths

One Battersea Bridge Road
WITHOUT PREJUDICE
Option 03 - Mixed Redevelopment

Development Appraisal
DS2 LLP
28 February 2022

**One Battersea Bridge Road
WITHOUT PREJUDICE
Option 03 - Mixed Redevelopment**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
LLR Units	2	1,786	373.00	333,089	666,178
SR Units	4	4,210	176.00	185,240	740,960
Private units	<u>11</u>	<u>13,686</u>	1,250.00	1,555,227	<u>17,107,500</u>
Totals	17	19,682			18,514,638

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Floor Offices	1	2,826	42.50	120,105	120,105	120,105
Ground Floor/Retail	1	1,000	35.00	35,000	35,000	35,000
Ground Floor Reception	1	776	40.00	31,040	31,040	31,040
First Floor Offices	1	3,893	45.00	175,185	175,185	175,185
Second Floor Offices	1	3,893	45.00	175,185	175,185	175,185
Third Floor Offices	1	3,893	45.00	175,185	175,185	175,185
Fourth Floor Offices	1	3,893	45.00	175,185	175,185	175,185
Fifth Floor Offices	<u>1</u>	<u>2,653</u>	45.00	119,385	<u>119,385</u>	<u>119,385</u>
Totals	8	22,827			1,006,270	1,006,270

Investment Valuation

Ground Floor Offices

Market Rent	120,105	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	2,173,600

Ground Floor/Retail

Market Rent	35,000	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	550,314

Ground Floor Reception

Market Rent	31,040	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	561,746

First Floor Offices

Market Rent	175,185	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,170,411

Second Floor Offices

Market Rent	175,185	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,170,411

**One Battersea Bridge Road
WITHOUT PREJUDICE
Option 03 - Mixed Redevelopment**

Third Floor Offices					
Market Rent	175,185	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,170,411
Fourth Floor Offices					
Market Rent	175,185	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	3,170,411
Fifth Floor Offices					
Market Rent	119,385	YP @	5.2500%	19.0476	
(1yr Rent Free)		PV 1yr @	5.2500%	0.9501	2,160,570
Total Investment Valuation					18,127,874

GROSS DEVELOPMENT VALUE 36,642,512

Purchaser's Costs	6.8%	-1,232,695	
Effective Purchaser's Costs Rate	6.8%		-1,232,695

NET DEVELOPMENT VALUE 35,409,816

NET REALISATION 35,409,816

OUTLAY

ACQUISITION COSTS			
Residualised Price (Negative land)		-13,297,282	-13,297,282

CONSTRUCTION COSTS			
Construction			
	ft²	Build Rate ft²	Cost
Construction Costs	69,705	494.41	34,462,905
			34,462,905
Contingency		5.0%	1,723,145
S106			1
CIL			1
			1,723,147

PROFESSIONAL FEES			
Professional Fees		12.0%	4,135,549
			4,135,549

MARKETING & LETTING			
Commercial Marketing	22,827 ft²	2.5	57,068
Residential Marketing		1.5%	256,613

**One Battersea Bridge Road
WITHOUT PREJUDICE
Option 03 - Mixed Redevelopment**

Letting Agent Fee	10.0%	100,627	
Letting Legal Fee	5.0%	50,314	
			464,621

DISPOSAL FEES

Commercial Sales Agent Fee		1.0%	168,952	
Residential Sales Agent Fee		1.5%	256,613	
Residential Sales Legal Fee	11 un	1,000.0 /un	11,000	
Commercial Sales Legal Fee		0.5%	84,476	
				521,040

TOTAL COSTS BEFORE FINANCE

28,009,980

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	Feb 2022
Construction	18	Aug 2022
Letting	12	Feb 2024
Sale	12	Feb 2024
Total Duration	36	

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Land		-938,130	
Construction		1,711,577	
Letting		737,938	
Total Finance Cost			1,511,385

TOTAL COSTS

29,521,365

PROFIT

5,888,452

Performance Measures

Profit on Cost%	19.9%
Profit on GDV%	16.1%
Development Yield% (on Rent)	3.4%
Equivalent Yield% (Nominal)	5.3%
Equivalent Yield% (True)	5.5%
IRR% (without Interest)	N/A
Rent Cover	5 yrs 10 mths
Profit Erosion (finance rate 6.500)	2 yrs 10 mths

APPENDIX 5 - Commercial Comparables

Battersea Bridge Road – Commercial Comparable evidence

Commercial Rent Comparables					
Address	Date	Floor	Size	Rent per annum	Rent £ psqft
Suite 1, Enterprise Way	Nov- 2021	Grnd	1,318	£42,000	£31.86
71-77 Tooting High Street	Nov -2021	1 st	13,766	£385,500	£28
The Department Store Studios – 19 Bellefields Road	Dec -2021	4 th	2,757	£71,700-£99,250	CoStar estimates £26-£36
Battersea Studios, 80 Silverthorne Road, SW8 3HE	Mar-20	1 st	444	£19,980 (asking)	£45 (asking)
Reef House, Coral Row, SW11 3UF	Jun-21	1 st	1,361	£61,245 (asking)	£45 (asking)
Exchange Point, SW8 4EX	Oct-21	Grnd & 1 st	4,023	£190,000 (asking)	£47.23 (asking)

Commercial Sales Comparables					
Address	Date	Sq Ft	£	£/sq ft	NIY
Luma, 330 Clapham Road	16-12-2021	26,150	£14,500,000	£554	6.22%
9-15 Elcho St, B	23-09-2021	16,713	£800,000	£404	NA
372-376 Clapham Road – Colwell House	27-11-2020	36,608	£3,880,000	£106	NA

Retail Comparable Evidence					
Address	Date	Size	Rent per annum	Rent £ psqft	
214 Battersea Park Rd	23/01/2022	435	£18,000.00	£41.38	Achieved
89 Falcon Rd	12/07/2021	578	£21,230.00	£36.73	Achieved
310-320 Queenstown Rd	01/07/2021	2,659	£69,100.00	£25.99	Asking
98 York Way	07/04/2021	925	£40,000.00	£43.24	Asking
202 Battersea Park Rd	01/02/2021	332	£15,000.00	£45.18	Asking
204 Battersea Park Rd	01/02/2021	455	£17,500.00	£38.46	Asking
124 Battersea Park Rd	01/12/2020	665	£18,999.05	£28.57	Asking

Retail Yield Evidence						
Address	Date	Size	£	£/sq ft	NIY	Notes
557-561 Battersea Park Rd	23/9/21	1,500	£605,000	£403	6.76%	Auction Sale

APPENDIX 6 - Construction Costs



CBRE Limited
Henrietta House
Henrietta Place
London W1G 0NB

To: The Directors

Promontoria Battersea Limited

10th Floor
5 Churchill Place
London
EC3V 0RL

Switchboard
Direct Line
Email
Our Ref



By Email

28 February 2022

Dear Sirs,

THE GLASSMILL, 1 BATTERSEA BRIDGE ROAD, SW11 3BZ ("THE PROPERTY")

CONCERNING THE COSTS PROVIDED IN CONJUNCTION WITH THE PROPOSED SCHEMES AT ONE BATTERSEA BRIDGE

As outlined in our Terms of Engagement dated 17 February 2022, we have undertaken a valuation as at 20 January 2022 of the property on an Existing Use Basis to assist with your discussion with the local authority in relation to the viability of the proposed development.

You have also requested some indicative cost estimates for two alternative schemes to form part of your submission; the first being a full redevelopment as an office, the second a mixed use residential and office scheme.

As highlighted to you, the costs have been arrived at using BCIS data and reflecting the limited information provided to us (as set out in the Appendix to this letter) and as part of very early design stage proposals. Accordingly we would advise as follows:

Option 02

Reflecting the BCIS Data Ranges, indexed for London Borough of Wandsworth Q1 2022, for works deemed to be required for Option 02 – Commercial Redevelopment. We have allowed for a demolition of the existing building and the proposed building to be re-built in the existing footprint, with an allowance for the space to be finished to a high spec CAT A finish.

SHORT-FORM ORDER OF COST ESTIMATE (SFOCE)	(M) Measurand	(R) Rate	(T) Total (M x R)
A Facilitating Works (e.g. Demolitions/Clearance)	5,237	100	523,700
B Building Works (Substructure, Superstructure, Finishes and Services)	6,371	3,023	19,259,533
C Occupier Fitting-Out Works and FF&E (If additional) (CAT A)	6,371	810	5,160,510

D	External Works (<i>typically excluding Utilities</i>)	10%	1,925,953
E	Extra Over for Contractor Preliminaries, Overheads & Profit	5%	1,343,485
Base Cost			28,213,181
F	Project Design Team Fees	15%	4,232,000
G	Other Development / Project Costs	5%	1,411,000
H	Risk / Contingency	10%	3,386,000
Total for Order of Cost Estimate (Excluding VAT) GBP £			37,243,000

Option 03

Reflecting the BCIS Data Ranges, indexed for London Borough of Wandsworth Q1 2022, for works deemed to be required for Option 03 – Mixed Redevelopment. We have allowed for a demolition of the existing building and the proposed building to be re-built in the existing footprint. We have blended the Upper Quartile Rates (Generally) for both the residential element and commercial element of the proposed development. Again, allowing for the commercial space to be finished to a high spec CAT A finish.

SHORT-FORM ORDER OF COST ESTIMATE (SFOCE)		(M) Measurand	(R) Rate	(T) Total (M x R)
A	Facilitating Works (<i>e.g. Demolitions/Clearance</i>)	5,237	100	523,700
B	Building Works (<i>Substructure, Superstructure, Finishes and Services</i>)	6,477	4,169	27,002,613
C	Occupier Fitting-Out Works and FF&E (If additional) (CAT A)	3,204	810	2,595,240
D	External Works (<i>typically excluding Utilities</i>)		10%	2,700,261
E	Extra Over for Contractor Preliminaries, Overheads & Profit		5%	1,641,091
Base Cost			34,462,905	
F	Project Design Team Fees		15%	5,169,000
G	Other Development / Project Costs		5%	1,723,000
H	Risk / Contingency		10%	4,135,000
Total for Order of Cost Estimate (Excluding VAT) GBP £			45,490,000	

Please note this excludes S106 requirements, marketing/ sales fees, financing fees & inflation to building costs.

This letter should only be read in conjunction with our valuation as at 20 January 2022.

Yours faithfully,

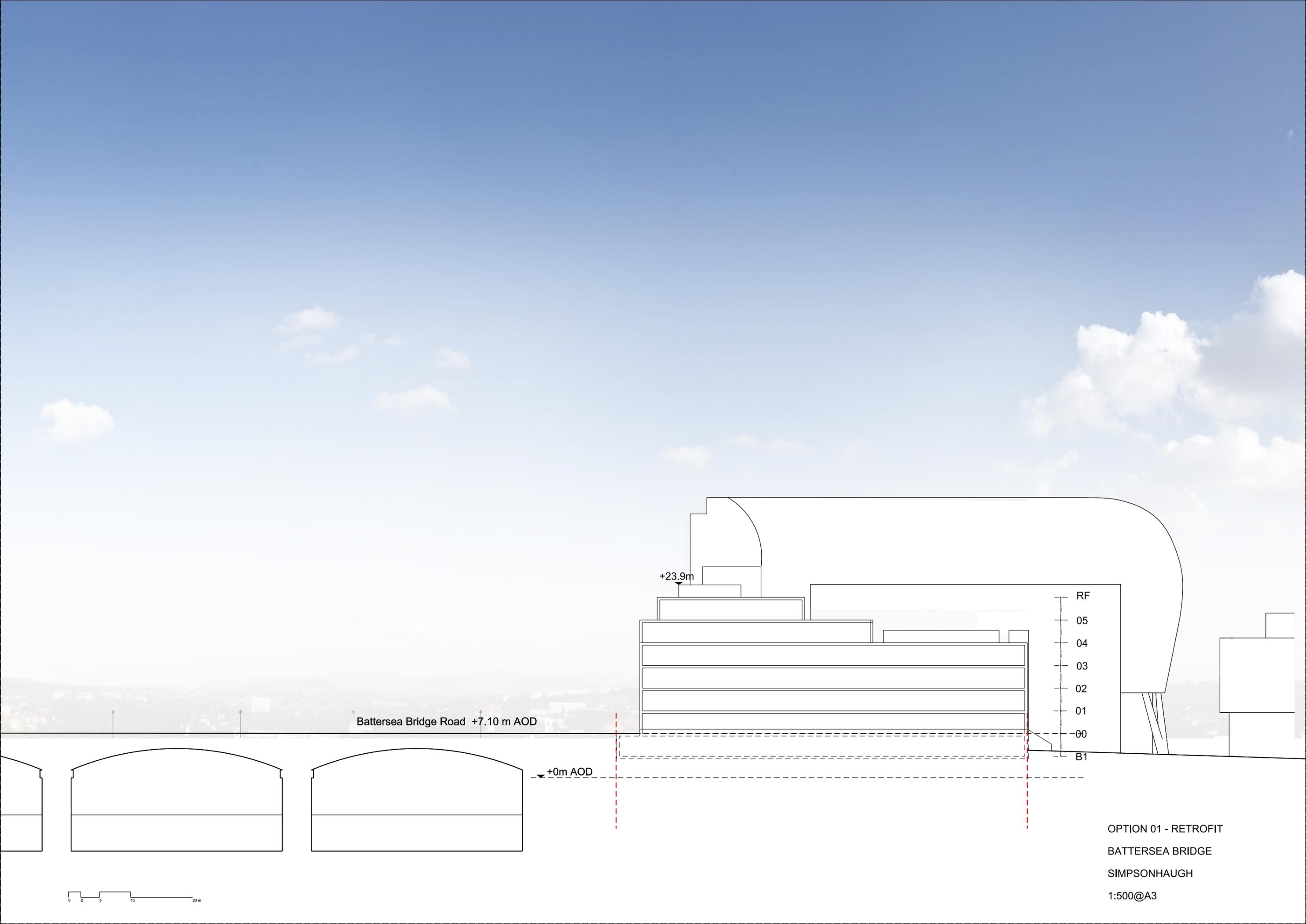


Jonathan White BSc (Hons) MRICS | Executive Director

RICS Registered Valuer

For and on behalf of CBRE Limited

APPENDIX



Battersea Bridge Road +7.10 m AOD

+23.9m

+0m AOD

RF

05

04

03

02

01

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OPTION 01 - RETROFIT

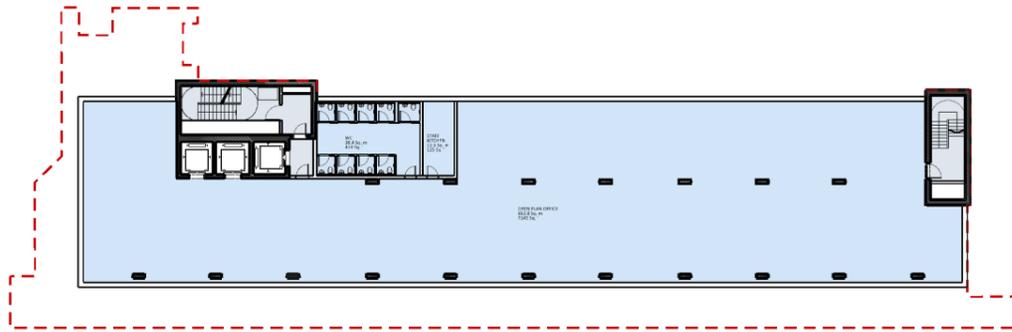
BATTERSEA BRIDGE

SIMPSONHAUGH

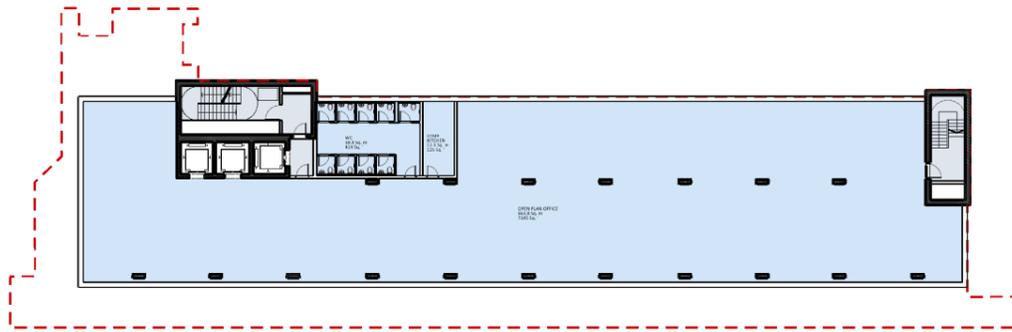
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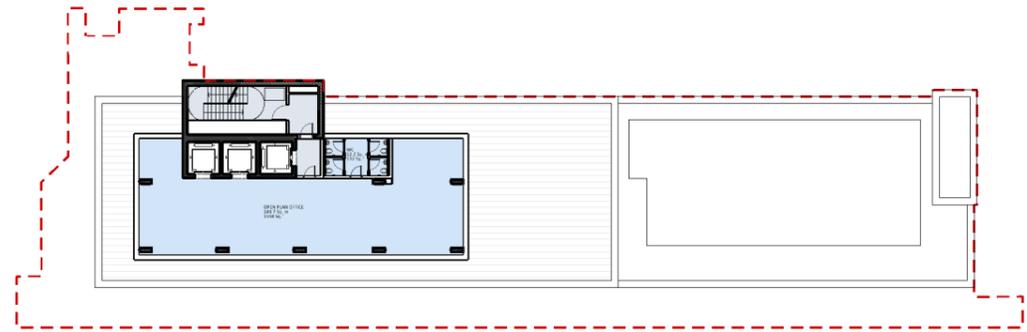
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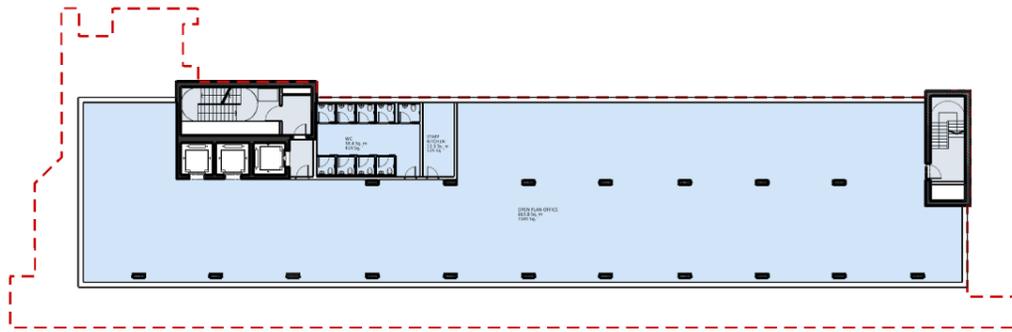
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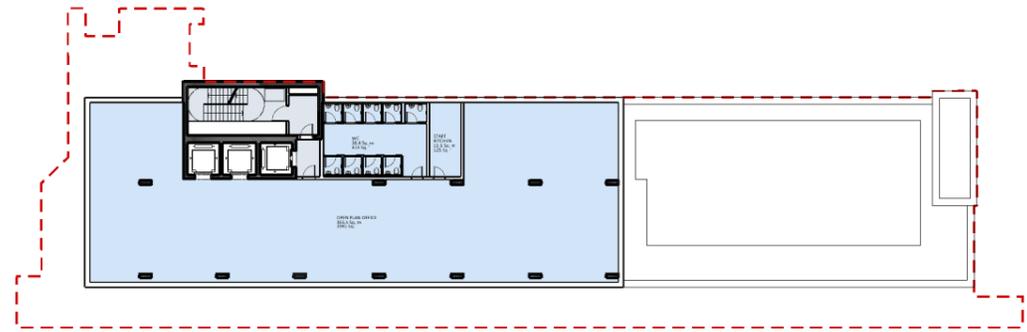
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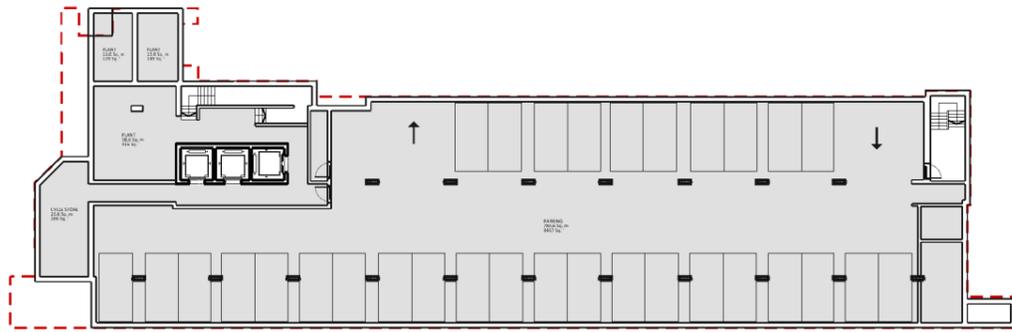
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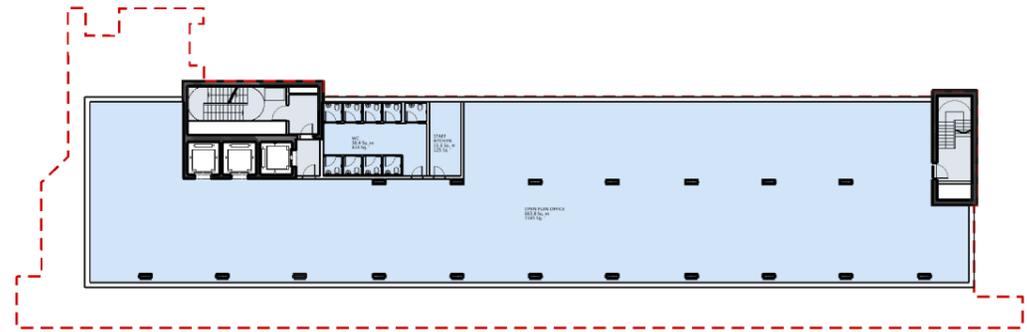
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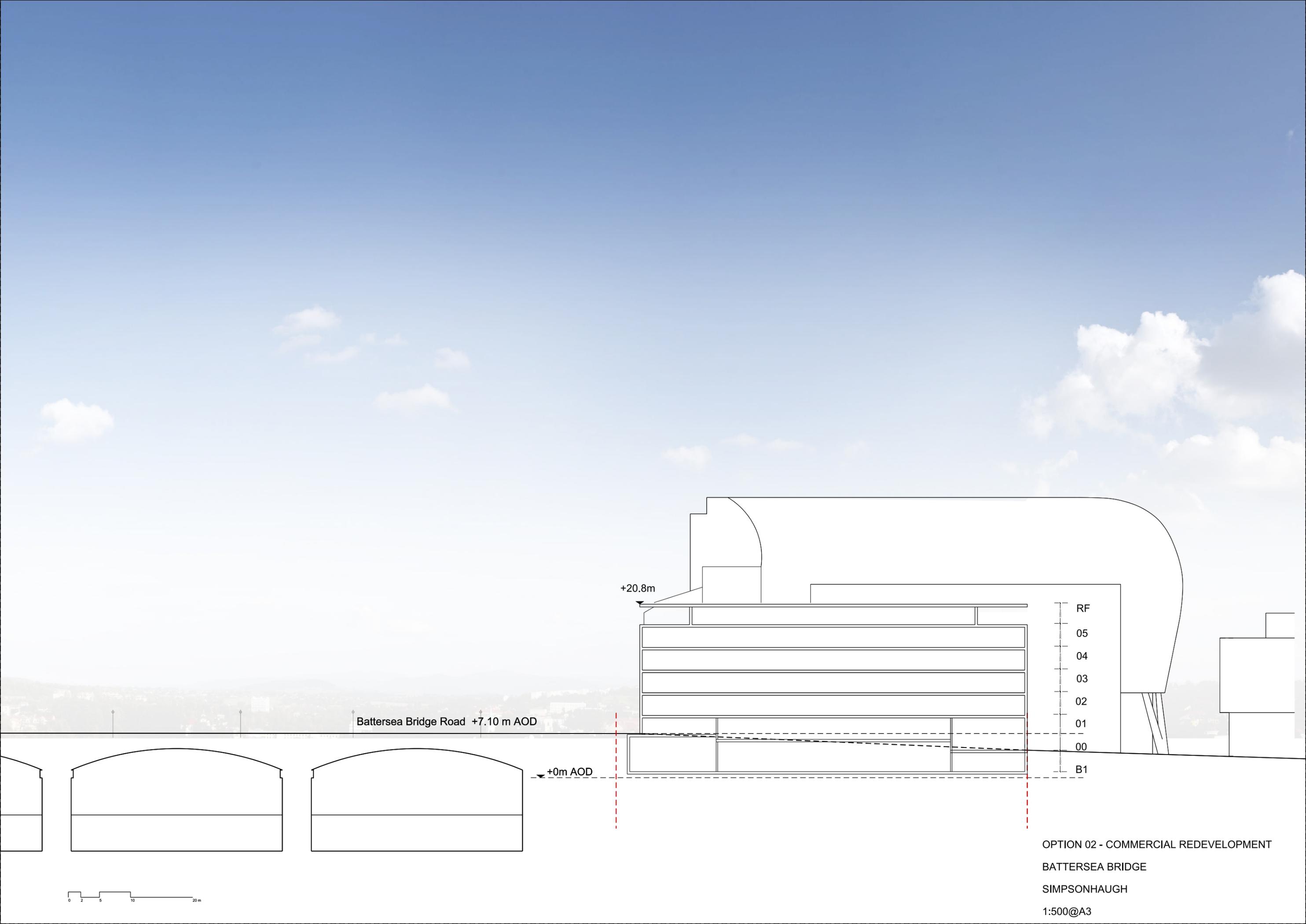
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03



OPTION 01 - RETROFIT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3



Battersea Bridge Road +7.10 m AOD

+20.8m

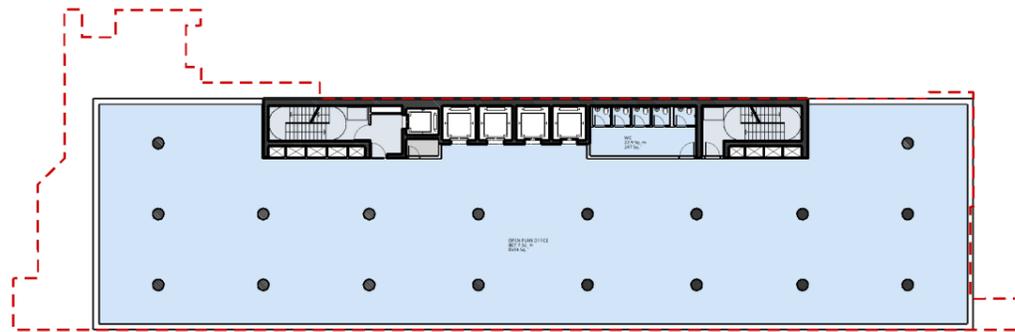
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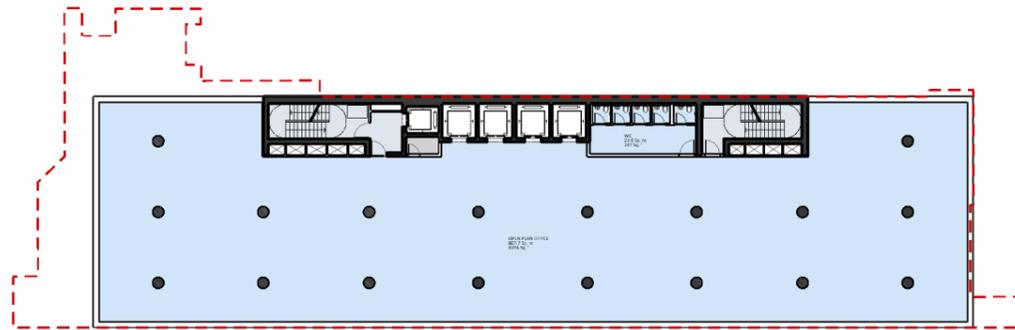
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OPTION 02 - COMMERCIAL REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
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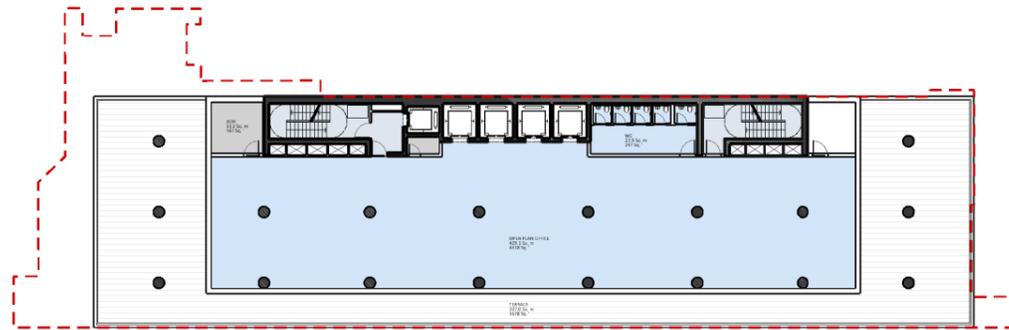
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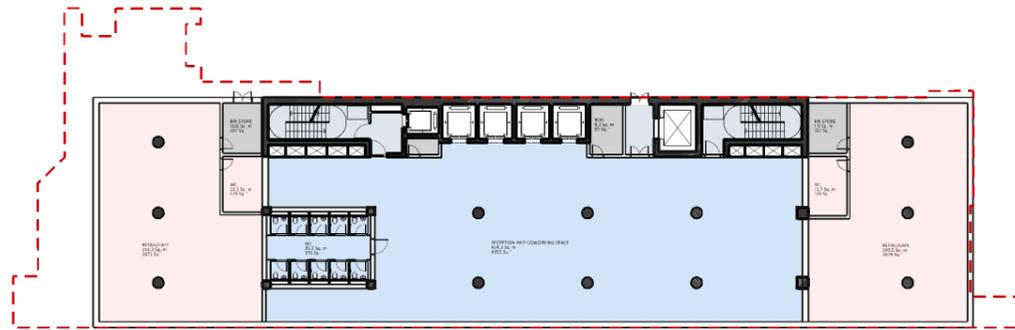
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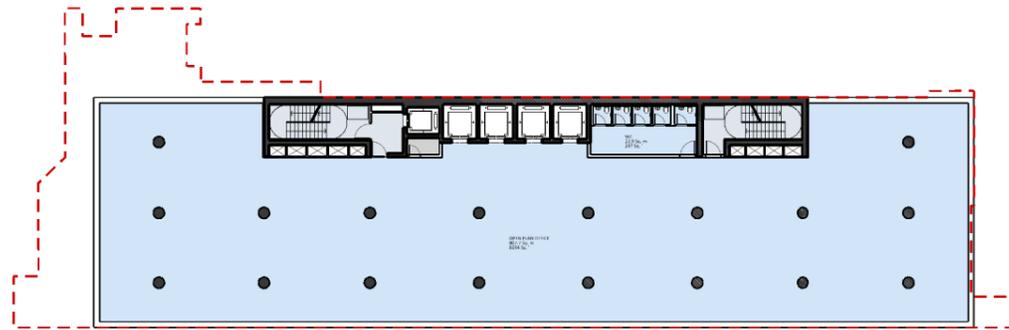
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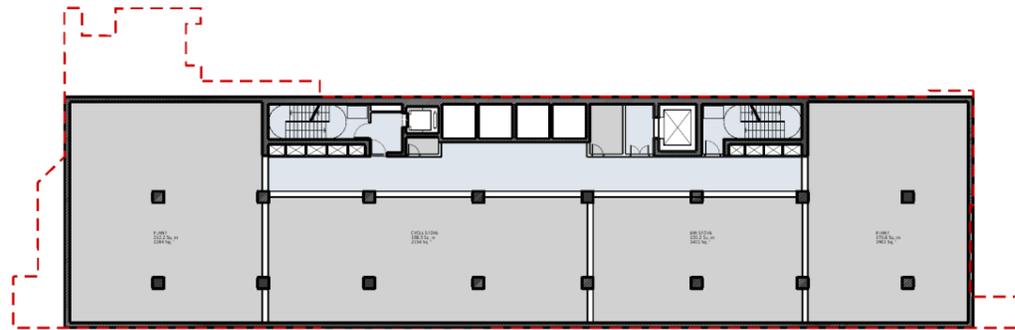
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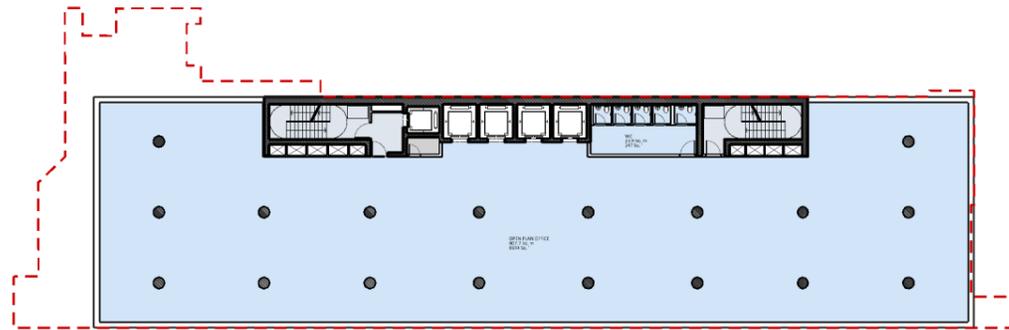
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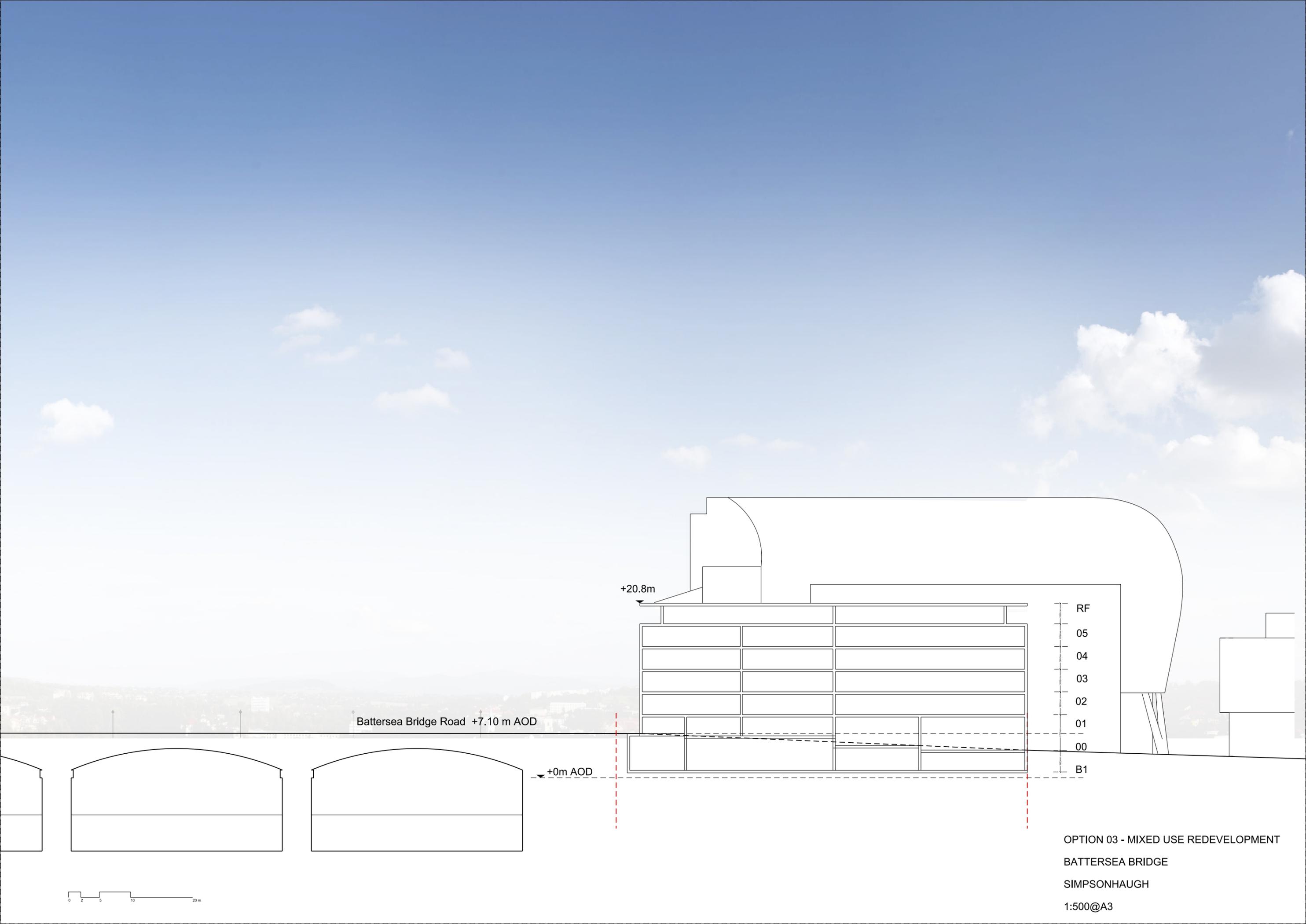
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03



OPTION 02 - COMMERCIAL REDEVELOPMENT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3

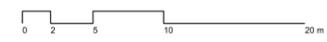


+20.8m

Battersea Bridge Road +7.10 m AOD

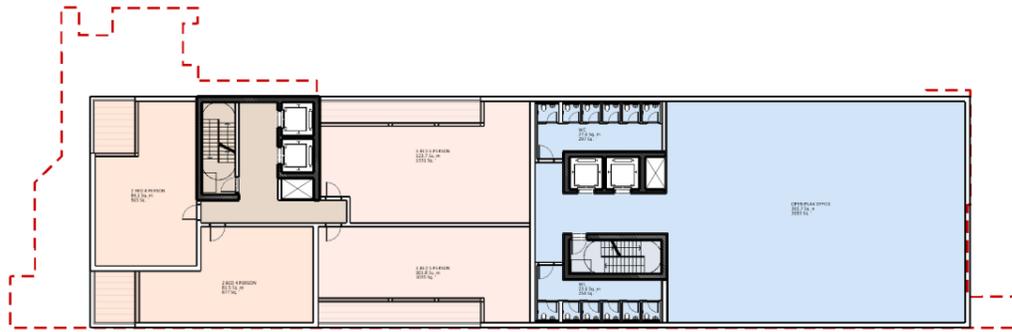
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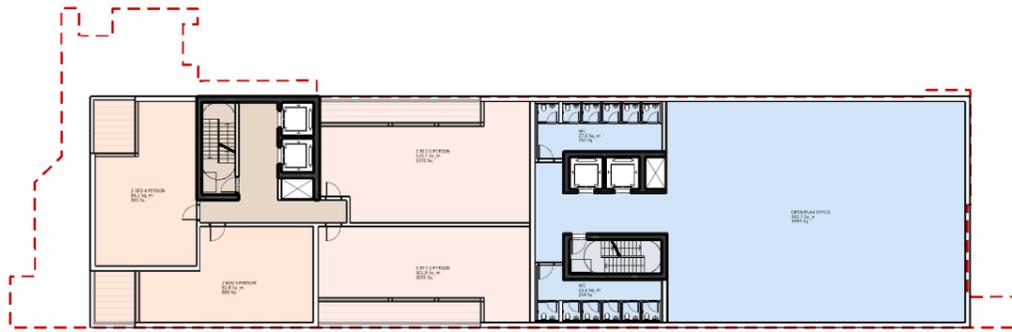


OPTION 03 - MIXED USE REDEVELOPMENT
BATTERSEA BRIDGE
SIMPSONHAUGH
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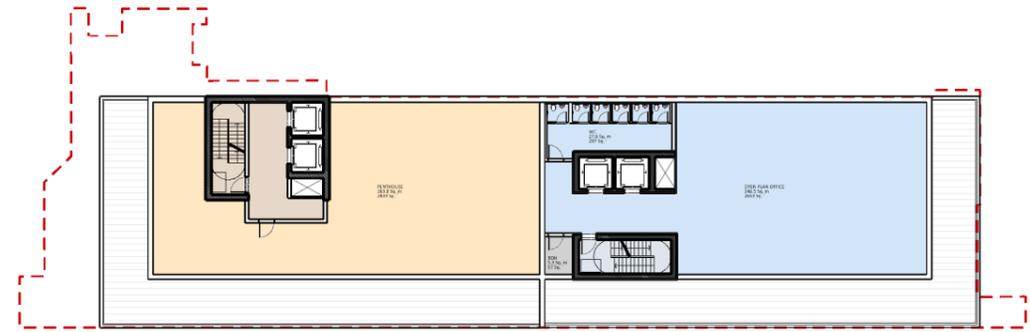
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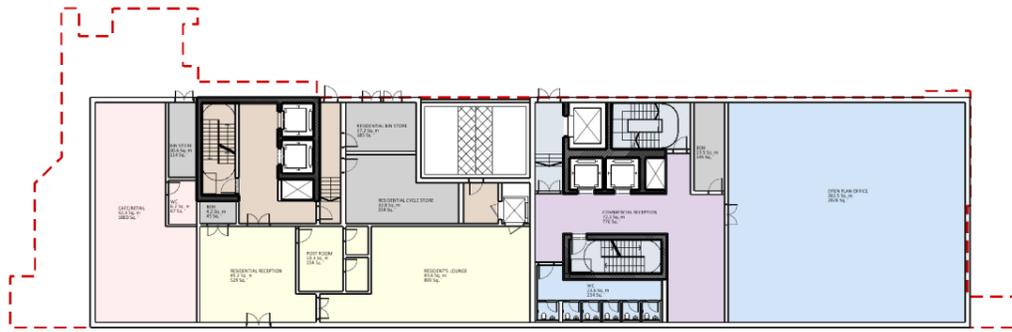
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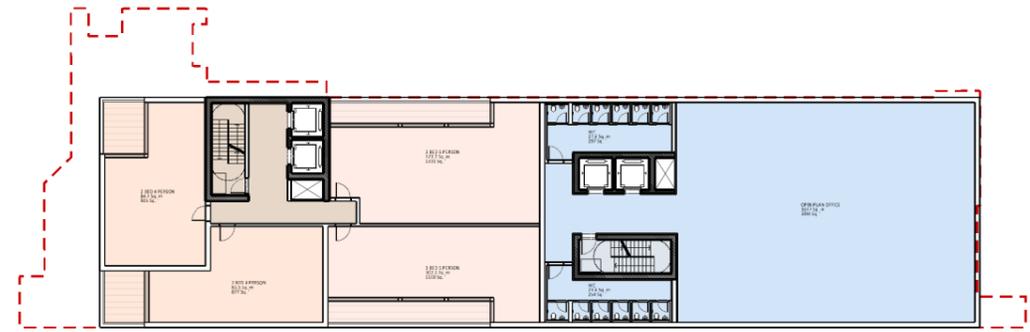
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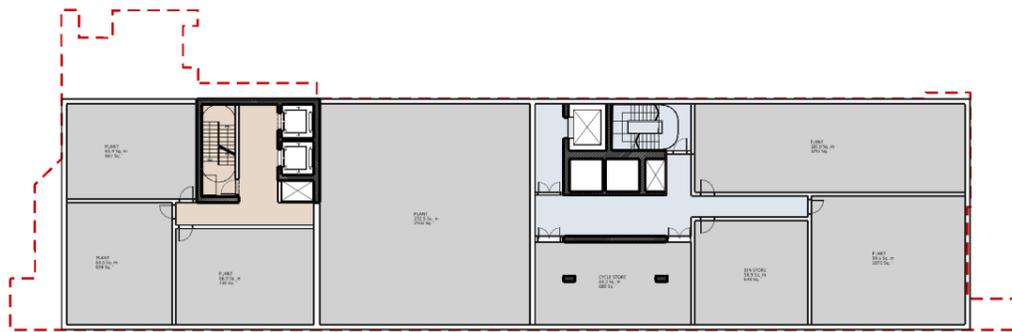
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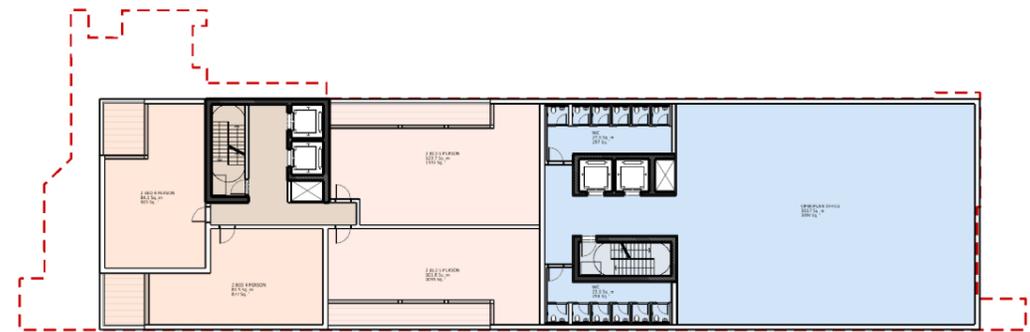
04



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03



OPTION 03 - MIXED USE REDEVELOPMENT
 BATTERSEA BRIDGE
 SIMPSONHAUGH
 1:500@A3

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
									Residential Demise				Commercial Demise			
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	335.0	3606
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.0	4209	478.7	5153	362.0	3897
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.0	4209	478.7	5153	362.0	3897
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.0	4209	478.7	5153	362.0	3897
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.0	4209	478.7	5153	362.0	3897
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	264.0	2842	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1920.9	20676	3203.8	34485	2029.5	21845

Option 03 Total	
GIA (sqft)	69710
NIA (sqft)	42522

Option 01 Retrofit	-	Commercial	NIA (sqm)	663.8
	-		NIA (sqft)	7145
Option 02 Commercial Redevelopment	-	Retail/Café	NIA (sqm)	304.8
	-		NIA (sqft)	3281
	-	Commercial	NIA (sqm)	404.3
	-		NIA (sqft)	4352
Option 03 Mixed Redevelopment	Residential Demise	Retail/Café	NIA (sqm)	92.9
			NIA (sqft)	1000
	Commercial Demise	Commercial	NIA (sqm)	262.5
			NIA (sqft)	2826
		Lobby Area	NIA (sqm)	72.1
			NIA (sqft)	776

NIA excludes back of house and support areas, circulation, and WCs.

AREA SCHEDULE
BATTERSEA BRIDGE
VIABILITY OPTIONS
SIMPSONHAUGH

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 12-Feb-2022 00:38

› Rebased to **London Borough of Wandsworth** (128; sample 39)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
320. Offices							
Generally (15)	2,649	1,303	1,904	2,498	3,079	6,427	75
Air-conditioned							
Generally (15)	2,632	1,568	2,104	2,557	3,023	4,516	24
1-2 storey (15)	2,616	1,568	2,269	2,451	2,619	4,516	9
3-5 storey (15)	2,481	1,779	1,960	2,498	3,038	3,545	11
6 storey or above (20)	3,283	2,256	2,696	2,911	3,310	5,840	9
Not air-conditioned							
Generally (15)	2,625	1,303	1,839	2,460	3,231	4,393	34
1-2 storey (15)	2,680	1,519	1,882	2,460	3,320	4,199	16
3-5 storey (15)	2,562	1,303	1,838	2,361	3,183	4,393	16
6 storey or above (20)	3,113	2,410	-	3,223	-	3,594	4

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 12-Feb-2022 00:38

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Air-conditioned							
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1-2 storey (15)	2,616	1,568	2,269	2,451	2,619	4,516	9
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3-5 storey (15)	2,562	1,303	1,838	2,361	3,183	4,393	16
6 storey or above (20)	3,113	2,410	-	3,223	-	3,594	4
816. Flats (apartments)							
Generally (15)	2,036	1,006	1,693	1,934	2,292	7,018	852
1-2 storey (15)	1,932	1,196	1,646	1,846	2,164	3,463	194
3-5 storey (15)	2,006	1,006	1,686	1,918	2,274	4,250	558
6 storey or above (15)	2,417	1,491	1,993	2,266	2,579	7,018	97

APPENDIX 7 - Residential Comparables

Battersea Bridge Road – Key High-Rise Residential Comparables

Albion Riverside

Developer: Thirdi Group

Total Homes: 93

Total Private Homes: 55



Comments:

Excellent transport links, the nearest underground stations being South Kensington and Sloan Square, with an extensive bus service also available. The development boasts amenities such as 24-hour security and concierge service, private gymnasium and swimming pool, plus underground parking.

The below illustrates recent asking and achieved prices at the development:

Albion Riverside: Current Sales						
Unit	Source	Unit Type	Sq ft	Asking Price	£psf	Asking Price Date
NA	Rightmove	1	698	£530,000	£759	Sold STC
NA	Property Pigeon	2	943	£969,000	£1,028	Feb 2022
NA	Prime Location	2	1,399	£1,850,000	£1,322	Feb 2022
NA	Prime Location	2	947	£969,000	£1,028	Feb 2022
NA	Place Buzz	2	1,470	£1,950,000	£1,327	Feb 2022
NA	Rightmove	3	2,157	£3,650,000	£1,692	Reduced 11/04/2016
NA	Savills	4	2,240	£3,850,000	£1,719	Feb 2022

Albion Riverside: Achieved Sales						
Unit	Source	Unit Type	Sq ft	Achieved Price	£psf	Sale Date
D62	Rightmove	1	NA	£850,000	NA	20/04/2021
C63	Rightmove	NA	NA	£955,000	NA	28/06/2021
B43	Rightmove	2	NA	£900,000	NA	27/08/2021
D32	Rightmove	NA	NA	£615,000	NA	31/03/2021
D31	Rightmove	NA	NA	£3,300,000	NA	17/12/2020

58-70 York Road

Developer: Thirdi Group

Total Homes: 93

Total Private Homes: 55



Comments:

Completion is due in June 2022, 93 total homes, including ground floor commercial space. Development is located close to the river, in close proximity to Clapham Junction overground station.

The below illustrates recent asking prices at the development:

Unit	Floor	Unit Type	Sq ft	Asking Price	£psf	Asking Price Date
03-01	3	1	652	£600,000	£920	Sep-21
03-07	3	1	581	£550,000	£947	Sep-21
04-05	3	1	579	£530,000	£915	Sep-21
04-06	4	1	535	£530,000	£991	Sep-21
04-01	4	2	652	£600,000	£920	Mar-21
07-04	8	1	566	£560,000	£989	Sep-21
08-01	8	2	657	£655,000	£997	Sep-21
08-02	8	2	651	£665,000	£1,022	Sep-21
08-03	8	2	645	£665,000	£1,031	Sep-21
08-06	8	3	890	£745,000	£837	Sep-21
09-01	9	3	963	£895,000	£929	Sep-21
09-02	9	2	648	£675,000	£1,042	Sep-21
09-03	9	1	566	£585,000	£1,034	Sep-21
09-04	9	1	598	£585,000	£978	Sep-21
09-01	9	3	963	£895,000	£929	Mar-21
10-02	10	2	652	£685,000	£1,051	Sep-21
10-03	10	1	564	£595,000	£1,055	Sep-21
11-02	11	2	1013	£888,000	£877	Sep-21
11-01	11	2	1207	£950,000	£787	Mar-21
11-02	11	3	1103	£976,800	£886	Mar-21
12-02	12		1116	£975,000	£874	Sep-21
12-03	12	3	1129	£888,000	£787	Sep-21
12-02	12	3	1116	£950,000	£851	Mar-21
Average			18,046	£16,642,800	£941	

Viewpoint (Lookers – South Side – VW)

Developer: Linden Homes South East
Total Homes: 173
Total Private Homes: 130



Comments: Conveniently located on York Road in Battersea, close to Clapham Junction station and not too far from Battersea Power Station underground. Many apartments featuring views across the river or city skyline.

The below illustrates recent sales prices at the development:

Unit	Floor	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
26	7	1	807	£600,000	£743	06/03/2020
27	NA	NA	786	£645,000	£820	30/06/2020
29	NA	NA	753	£600,000	£796	08/03/2019
30	7	2	797	£600,000	£753	29/03/2019
31	NA	NA	807	£605,000	£749	07/08/2020
32	8	1	786	£650,000	£827	29/01/2021
33	NA	NA	700	£610,000	£871	12/02/2021
34	NA	NA	753	£600,000	£796	31/05/2019
34	NA	NA	753	£600,000	£796	31/05/2019
35	8	1	797	£600,000	£753	21/06/2019
36	NA	NA	807	£640,000	£792	02/10/2020
37	9	1	786	£660,000	£839	10/03/2021
39	NA	NA	807	£725,000	£898	31/05/2019
41	9	1	807	£675,000	£836	18/06/2021
46	10	3	872	£700,000	£802	08/01/2020
51	12	3	807	£740,000	£916	05/06/2020
56	NA	NA	807	£780,000	£966	11/12/2020
61	NA	NA	807	£1,165,000	£1,443	06/03/2020
61	NA	NA	807	£790,000	£978	02/11/2020
68	NA	NA	872	£790,000	£906	31/03/2021
Average			15,918	£13,775,000	£864	

Coda / Vida / York Place (Homebase SW11)

Developer: Avanton

Total Homes: 299

Total Private Homes: 249



Comments:

Overlooking the river and situated in the heart of Battersea, close to Clapham Junction station, and also within reach of Battersea Power Station underground. The development includes affordable and market housing, with circa 5,943 sq m of Class D1 education space, including 536 sq m of Class A3/A4 café and drinking establishment space.

The below illustrates recent sales prices at the development:

Unit	Floor	Sq ft	Achieved Price	£psf	Sold Date
APARTMENT 2	1	786	£780,000	£992	20/08/2021
APARTMENT 3	1	441	£485,000	£1,098	05/02/2021
APARTMENT 5	1	807	£764,000	£946	25/06/2021
APARTMENT 7	1	753	£697,500	£925	26/03/2021
APARTMENT 8	1	420	£480,000	£1,143	12/07/2021
APARTMENT 11	1	592	£600,000	£1,013	30/06/2021
APARTMENT 12	1	807	£735,000	£910	30/09/2021
APARTMENT 19	3	592	£580,000	£979	30/06/2021
APARTMENT 28	4	807	£810,000	£1,003	30/11/2021
APARTMENT 32	4	560	£570,000	£1,018	13/01/2021
APARTMENT 40	5	560	£565,000	£1,009	29/01/2021
APARTMENT 51	6	592	£590,000	£996	24/02/2021
APARTMENT 53	7	570	£600,000	£1,051	12/03/2021
APARTMENT 54	9	538	£600,000	£1,114	15/03/2021
APARTMENT 63	9	538	£600,000	£1,114	19/01/2021
APARTMENT 65	9	764	£840,000	£1,099	30/03/2021
APARTMENT 72	10	570	£600,000	£1,051	30/09/2021
APARTMENT 73	10	764	£837,000	£1,095	30/03/2021
APARTMENT 75	12	592	£625,000	£1,055	18/06/2021
APARTMENT 76	10	1,001	£1,100,000	£1,098	05/08/2021
APARTMENT 78	10	560	£625,000	£1,116	30/03/2021
APARTMENT 79	10	764	£900,000	£1,177	26/03/2021
APARTMENT 81	11	592	£695,000	£1,173	30/06/2021
APARTMENT 82	11	1,001	£1,057,000	£1,055	03/06/2021
APARTMENT 85	12	764	£960,000	£1,256	12/11/2021
APARTMENT 92	12	775	£967,500	£1,248	30/06/2021
APARTMENT 103	15	786	£958,650	£1,220	18/03/2021
APARTMENT 104	15	592	£725,000	£1,224	08/10/2021
APARTMENT 106	16	570	£670,000	£1,174	14/10/2021
APARTMENT 107	16	764	£965,000	£1,262	30/06/2021
APARTMENT 109	16	883	£1,120,000	£1,268	18/11/2021
APARTMENT 118	19	1,012	£1,254,800	£1,240	29/03/2021
APARTMENT 119	19	1,066	£1,360,640	£1,276	29/03/2021

APARTMENT 122	20	1,066	£1,510,000	£1,416	25/06/2021
APARTMENT 127	22	1,109	£1,450,000	£1,307	10/03/2021
APARTMENT 128	22	1,076	£1,470,000	£1,365	17/06/2021
APARTMENT 130	22	2,271	£3,000,000	£1,320	29/03/2021

Keybridge House

Developer: Mount Anvil / A2 Dominion

Total Homes: 432

Total Private Homes: 275



Comments:

Excellent travel connections, in the heart of Vauxhall. Range of amenities available to residents, such as a cinema room, spa, gymnasium, pool, 24-hour concierge, Keybridge Club Lounge (offering informal seating and flexible work space), and homes befitting from water and City views. All Build to Rent units were sold to A2 Dominion.

The below illustrates recent sales at the development:

Unit	Floor	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
9.08	9	1	633	£672,000	£1,062	2018
11.01	11	1	619	£673,000	£1,087	2018
11.06	11	1	555	£650,000	£1,170	2018
12.06	12	1	555	£676,800	£1,219	2018
13.06	13	1	555	£667,200	£1,201	2018
14.06	14	1	555	£665,000	£1,197	2018
16.06	16	1	555	£668,000	£1,203	2018
10.05	10	2	777	£950,000	£1,222	2018
13.05	13	2	777	£937,650	£1,207	2018
Average			5,581	£6,559,650	£1,174	

Unit	Floor	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
A.03.3	2	2	1102	£907,500	£824	Sept 2018
A.03.3	2	2	1102	£907,500	£824	Mar 2019
A.05.2	5	2	924	£922,500	£998	Mar 2019
A.06.1	6	1	610	£705,000	£1,156	Mar 2019
A.14.3	14	2	963	£1,120,000	£1,163	Mar 2019
A.26.3	26	3	1308	£1,737,500	£1,328	Mar 2019
A.32.3	32	3	1771	£2,400,000	£1,355	Mar 2019
B1.07.4	7	3	1410	£1,600,000	£1,135	Mar 2019
E.04.8	4	2	895	£960,000	£1,073	Mar 2019
E.07.4	7	3	1,232	£1,290,000	£1,039	Mar 2019
B1.01.2	1	Studio	506	£665,000	£1,314	Dec 2018
E.10.4	10	1	657	£690,000	£1,050	Dec 2018
A.36.2	36	3	2,849	£3,950,000	£1,386	Sept 2018
A.27.3	27	3	1,307	£1,772,500	£1,356	Jun 2018
E.03.3	2	1	606	£640,000	£1,056	Jun 2018
E.11.4	11	1	657	£695,000	£1,058	Jun 2018
Average			17,899	£20,962,500	£1,132	

Embassy Gardens

Developer: Ballymore Group

Total Homes: 872

Total Private Homes: 709



Comments:

Excellent travel connections, in close proximity to Battersea Power Station, Nine Elms and Vauxhall. Home to the Sky Pool, and other amenities such as private members club, library, gymnasium, spa, cinema and business facilities.

The below illustrates recent sales at the development:

Unit	Floor	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
3A804	8	2	966	£1,105,000	£1,144	Apr 019
3A504	5	2	964	£1,066,750	£1,106	Apr 19
1A26	2	2	976	£1,395,000	£1,429	Mar 19
1A37	3	2	787	£1,010,100	£1,284	Feb 19
1A41	4	2	902	£1,083,000	£1,200	Mar 19
1A510	5	2	781	£972,400	£1,244	Feb 19
1A78	7	2	802	£1,030,500	£1,285	Feb 19
1A91	9	2	904	£1,119,300	£1,238	Feb 19
3A1303	13	3	1095	£1,600,000	£1,462	Dec 18
3A2003	20	3	1206	£1,849,500	£1,534	Oct 18
Average			9,383	£12,231,550	£1,304	

Riverlight

Developer: St James
Total Homes: 813
Total Private Homes: 701



Comments:

Excellent transport links, in close proximity to Battersea Power Station, Nine Elms and Vauxhall. The development includes amenities such as a health centre (including pool, gym and spa), library, entertainment suite, gardens, and car and cycle sharing.

The below illustrates recent sales at the development:

Unit	Floor	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
1	9	2	1,150	£1,550,000	£1,348	2019
4	6	1	447	£525,000	£1,101	2019
4	4	2	793	£785,000	£990	2018
1	9	2	1,066	£975,000	£915	2018
2	9	2	787	£855,000	£1,086	2018
5	6	2	1,065	£1,760,000	£1,653	2018
2	4	2	800	£875,000	£1,094	2018
5	1	3	1,125	£1,725,000	£1,533	2018
3	6	1	523	£615,000	£1,176	2018
Average			7,756	£9,665,000	£1,211	

Nine Elms Parkside

Developer: Galliard Homes / London Square
Total Homes: 1,950
Total Private Homes: 1,632



Comments:

Excellent transport links, in close proximity to Battersea Power Station, Nine Elms and Vauxhall. Amenities include a swimming pool, gym, and lounge. The phased development is expected to be completed in late 2024.

The below illustrates the anticipated values of the development:

Unit Type	Actual Units	Average Sq ft	Average Value	Average £psf
Studio	12	472	£550,000	£1,166
1B2P	79	593	£686,646	£1,157
2B3P	12	804	£832,083	£1,035
2B4P	104	866	£985,083	£1,138
3B5P	18	1,111	£1,251,667	£1,127
3B6P	15	1,154	£1,406,333	£1,218
Average		790	£903,958	£1,145

Battersea Bridge Road – Key Mid-Rise Residential Comparables

Constance Court

Developer: Henley Homes

Total Homes: 51

Total Private Homes: 39



Comments:

Within close proximity to Clapham Junction station, situated just below Battersea.

The below illustrates recent sales at the development:

Unit	Unit Type	Sq ft	Achieved Price	£psf	Sold Date
1	Flat	570	£470,000	£823	28/03/2018
2	Flat	872	£600,000	£688	30/08/2019
2	Flat	872	£600,000	£688	30/08/2019
3	Flat	829	£600,000	£723	04/02/2020
4	Flat	570	£485,000	£850	15/02/2018
5	Flat	872	£600,000	£688	31/07/2019
5	Flat	872	£600,000	£688	31/07/2019
5	Flat	872	£600,000	£688	31/07/2019
6	Flat	829	£600,000	£723	31/03/2020
6	Flat	829	£600,000	£723	31/03/2020
7	Flat	570	£475,000	£832	31/08/2018
8	Flat	872	£600,000	£688	18/10/2019
Average		£9,429	£6,830,000	£734	

28 February 2022

Planning Policy
Environment and Community Services
Town Hall
Wandsworth High Street
London
SW18 2PU



Iain Buzza

33 Margaret Street W1G 0JD
savills.com

Sent via email – planningpolicy@wandsworth.gov.uk

Dear Sir/Madam,

London Borough of Wandsworth Draft Regulation 19 Local Plan Public Consultation – comments submitted on behalf of Promontoria Battersea Limited.

Introduction

This written representation is submitted by Savills (UK) Limited (hereafter known as ‘Savills’) in response to the London Borough of Wandsworth Council’s (‘LBW’) invitation to submit comments in respect of a public consultation on the Regulation 19 draft of the new Local Plan. These comments are submitted on behalf of Promontoria Battersea Ltd (‘PBL’).

PBL exchanged contracts to purchase 1 Battersea Bridge Road (‘the Site’) in 2021, an unallocated site within the Ransomes Dock Area of Focal Activity, with the aim of bringing it forward for re-development. 1 Battersea Bridge Road is a highly sustainable brownfield site in a well-connected location which presents an excellent opportunity to help homes so desperately needed both in the borough of Wandsworth and the wider London area. It is the intention of PBL to work with the London Borough of Wandsworth both through the planning application and the local plan process to ensure the Site is optimised. The observations set out in this representation are made in the context of seeking to deliver the re-development of this Site in the short term and we look forward to working with the borough to achieve this.

In addition to the observations set out, this representation is accompanied with the following:

- Urban Design & Townscape Analysis – prepared by Professor Robert Tavernor (Appendix 1);
- Indicative Development Options Designed – prepared by Simpson Haugh and Partners (Appendix 2); and
- Financial Viability Appraisals for Indicative Development Options – prepared by DS2 (Appendix 3).

Executive Summary

The Reg.19 Plan seeks to shape growth and change in Wandsworth over the next 15 years as the borough seeks to meet a pressing need for new housing and recover from the effects of the global pandemic. The main representation below presents the following arguments:

- The Site has been wrongly included within a “mid-rise” building zone.
- Including the Site within a mid-rise zone is a significant and unexpected departure from the Regulation. 18 draft local plan. There is no evidence to support the change in the Regulation 19 draft local plan.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills (UK) Limited. Chartered Surveyors. Regulated by RICS.

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- To restrict the development potential of the Site in this way makes future proposals unviable. It therefore stymie's the development of this important site located in a riverfront location on a bridgehead. Sterilising development of the Site in this manner would represent a lost opportunity for LBW to deliver a landmark building, acting as a gateway site for the borough.
- It is our view that the Regulation. 19 draft local plan is not 'sound' as it is neither effective nor justified. We detail below the changes we consider to be made for the draft local plan to be considered 'sound'.

National Policy Context

Paragraph 35 of the National Planning Policy Framework ('NPPF', July 2021) states that for an emerging Local Plan to be found "sound", it must satisfy the below four criteria:

1. **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs, and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
2. **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
3. **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
4. **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in the NPPF and other statements of national planning policy, where relevant.

Further to the four tests above, local plans in London are also required to be in "general conformity" with the London Plan.

Background

Pre-Application Advice

Prior to the sale of the Site to PBL, the previous owners undertook pre-application discussions with the London Borough of Wandsworth. The Council's pre-application planning advice noted that a mixed-use development for offices and residential accommodation in a building of scale was broadly supported, subject to the normal townscape, environmental and infrastructure justification you would expect through the normal planning application procedure.

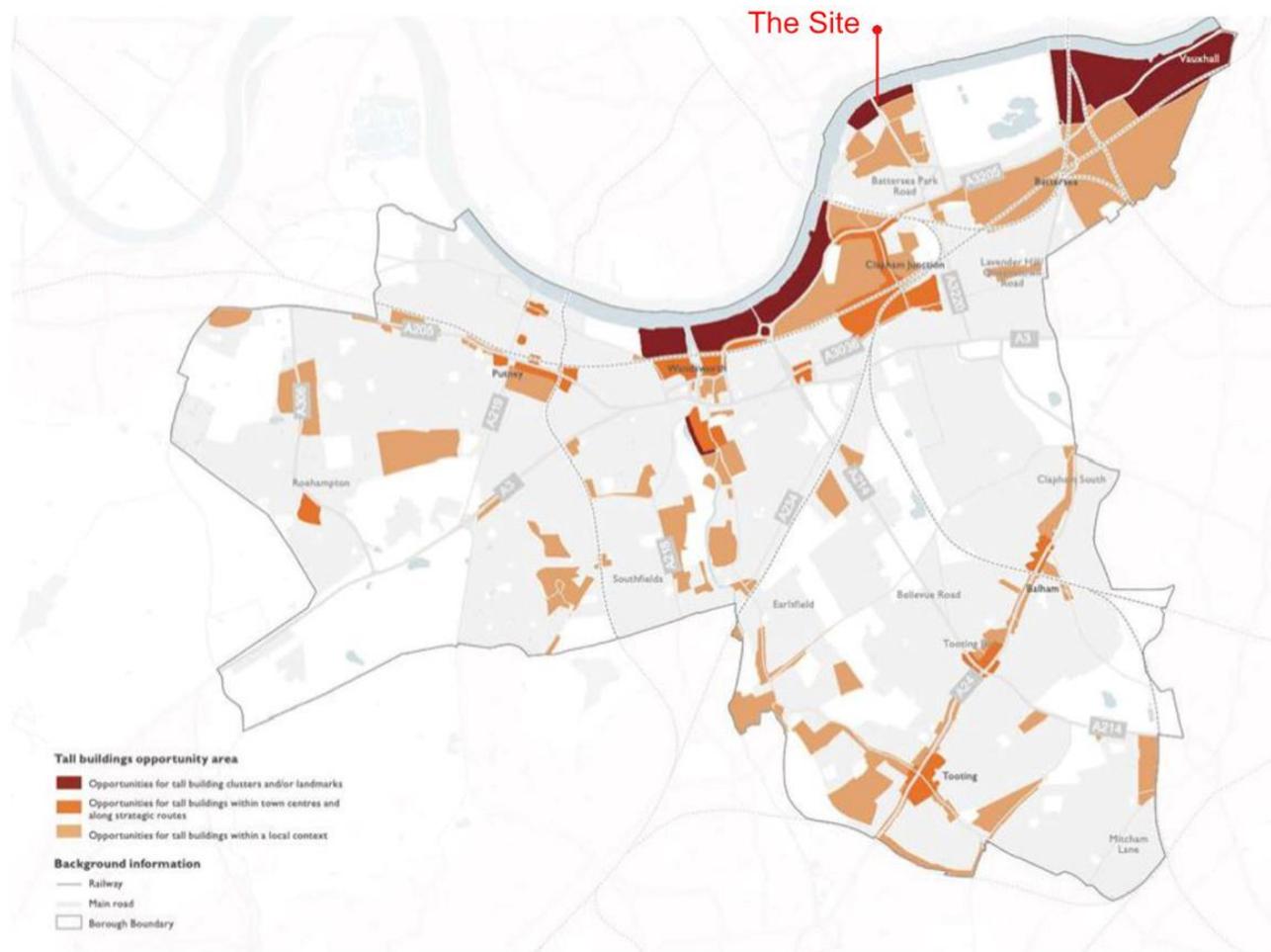
We would contend that there are no material townscape or environmental conditions which would fundamentally result in a change in approach to this site in terms of the delivery of a tall building.

Regulation 18 Draft Local Plan

The LBW undertook its Regulation 18 consultation of the draft plan (Reg.18 Plan) in early 2021. Within the Reg.18 plan the Site was located within the Ransomes Dock Focal Point of Activity and an opportunity area for

tall building clusters and/or landmark buildings, as illustrated in the image below. For clarity, the key in the image outlines the following:

- Burgundy – Opportunities for tall building clusters and/or landmarks
- Deep orange – Opportunities for tall buildings within town centres and along strategic routes
- Pale orange – Opportunities for tall buildings within a local context



Since the publication of the Reg.18 Plan we do not consider there to have been any change on or near the Site which would materially change site conditions in environmental or townscape regard. Further, we note that the neither the draft Reg 19 plan or its supporting evidence base points to any change in circumstances.

Regulation 19 Plan Observations

Policy SDS1 – Spatial Development Strategy 2023-2038

The draft policy proposes a housing target of 1,950 new homes annually until 2028/29, which aligns with LBW's housing target identified in the London Plan. However, the Council's own Local Housing Need Assessment

(2020), published as part of the local plan evidence base, outlines the LBW Objectively Assessed Need ('OAN') is 2,537 dwellings per annum.¹

Whilst aligning the housing target in the draft plan with the London Plan ensures its general conformity, it also fails to consider Robert Jenrick's (the then Secretary of State for the Ministry of Housing, Communities and Local Government) letter to the Mayor requiring the now adopted London Plan's housing targets be immediately reviewed following its adoption.² As such, given that LBW has objectively identified itself a greater need for housing the plan would fail to deliver against this basic requirement. We suggest that a positively prepared plan would meet its own identified needs rather than adopting an out-of-date position informed by an out-of-date evidence base from the London Plan.

Therefore, this discrepancy between the evidence base housing target and the housing target identified in draft policy means this policy was **not positively prepared, would not be effective** in delivering the needs of the borough and is therefore not justified.

Policy PM9 – Wandsworth's Riverside

PBL support the broad aims of this draft policy with regards to respecting views and vistas as identified in the Urban Design Study (2021) (Point 5); enhancing the public realm (Point 6); taking account of ecological value (Point 7); and having regard to the All London Green Grid (ALGG) (Point 8).

With regards to inclusive growth, we consider that the housing delivery targets for the borough should be increased (as discussed against draft policy SDS1 above) which would likely result in an increase for delivery in the Wandsworth Riverside area. However, the aims to promote residential-led development in the Focal Points of Activity, alongside a mixture of uses to increase activity and vibrancy along the riverside is one we support.

The 'People First' element of the policy is also supported. PBL recognise the importance of delivering a continuous, connected and legible Thames Path route along the river; increasing public access to the riverside; as well as enriching these spaces in terms of heritage and public art. 1 Battersea Bridge Road is capable of delivering a number of these objectives of the draft plan where the right policy conditions allow for the site to be delivered and optimised for its re-development potential.

Policy LP1 – The Design Led Approach

Draft policy LP1 requires development proposals to, among other things, use a design-led approach to optimise the potential of sites, in conformity with the approach set out in Policy D3 of the London Plan (2021). Whilst PBL is fully supportive of the LBW's intention to optimise site's utilising the design-led approach as set out, we consider this approach to be at odds with draft Policy LP4 (Tall and Mid-rise Buildings). The detail of draft Policy LP4 is discussed in detail below.

However, a design led approach as set out in the draft 12 criteria of Policy LP1 allows for flexibility and for an applicant and the Borough to engage in discussion and debate through the relevant Development Management procedures. This approach ensures that any development proposals submitted to the Borough would need to respond to this policy whilst demonstrating that the Site has been optimised to deliver best outcomes for the

¹ Paragraph 6.32 of Local Housing Needs Assessment

² Page 1 of Letter to Mayor of London from Secretary of State for Housing, Communities and Local Government (27 July 2018)

borough. A rigid approach which caps heights removes this design approach from the process and is unlikely to therefore deliver the jobs and homes the borough needs as well as resulting in inferior design proposals.

Policy LP3 – Historic Environment

Part 3 of this draft policy requires development proposals to positively contribute to and, whenever possible, enhance the setting and integrity of strategic and local views (as set out in the London Plan and in table 14.1) and valued. The starting point for this draft policy is to positively contribute, which appears to go over and above the position in the London Plan and the NPPF.³ The extract from London Plan policies HC1 and HC4 demonstrate that the baseline is to conserve and to not harm, as opposed to requiring a positive contribution. Whilst we are generally supportive of protecting Wandsworth’s historic and strategic environments, draft policy LP3 (Part 3) appears more onerous than the London Plan and the NPPF. This policy as drafted is therefore **not in general conformity with the London Plan and not consistent with national policy**.

Policy LP4 – Tall and Mid-rise Buildings

This draft policy establishes tall and mid-rise building zones across the borough; with ‘tall’ buildings defined as 7-storeys or 21m (whichever is the lower) and ‘mid-rise’ (for 1 Battersea Bridge Road) defined as 6-storeys or 18m (whichever is the lower). We consider this rigid approach to tall buildings to be inflexible and an inappropriate strategy for the borough to be able to encourage and deliver appropriately optimised sites. Optimising sustainable brownfield sites such as 1 Battersea Bridge Road is a strategy that is reiterated in both Policy D3 (Optimising Site Capacity Through The Design-Led Approach) of the London Plan and the National Planning Policy Framework.⁴ By restricting the appropriate optimisation it is our view that the policy as drafted is too rigid and discourages development at 1 Battersea Bridge, thereby making the policy not deliverable and **not effective**.

The 1 Battersea Bridge Road site was included within an opportunity area for tall buildings and/or landmark buildings in Regulation.18 Draft Local Plan, which was underpinned by the Arup Urban Design Study (2020). However, there is no justification for the borough’s approach in removing the Site from the tall building zone and placing it into the mid-rise building zone. It is important to note that it is only 1 Battersea Bridge Road that has been removed from the tall building zone, none on the neighbouring plots have.

Appendix A of the Urban Design Study (2021) provides high level townscape, visual and heritage assessment for various tall building zones. This includes detailed massing models for many of the tall building areas, to assist in justifying an area’s respective designation. However, it is noted that the mid-rise building zone the Site is located within (i.e., MB-B2-02) has no such assessment and it is therefore unclear what evidence the Urban Design Study (2021) has utilised to justify why it is just 1 Battersea Bridge Road that has been moved to a mid-rise zone whilst all neighbouring plots remain in a tall building zone.⁵

The sudden but significant move away from the tall building zone to the mid-rise building zone is made even more confusing in the context of the November 2018 pre-application meeting with LBW officers. In this instance a residential-led building of scale was supported in principle by officers. Officers noted that a tall building next to Battersea Bridge, would be “a gateway to the Borough” and “act as a landmark and reference point”. Officers also noted the principle support was subject to the normal townscape and design considerations, as is detailed within a formal planning submission.

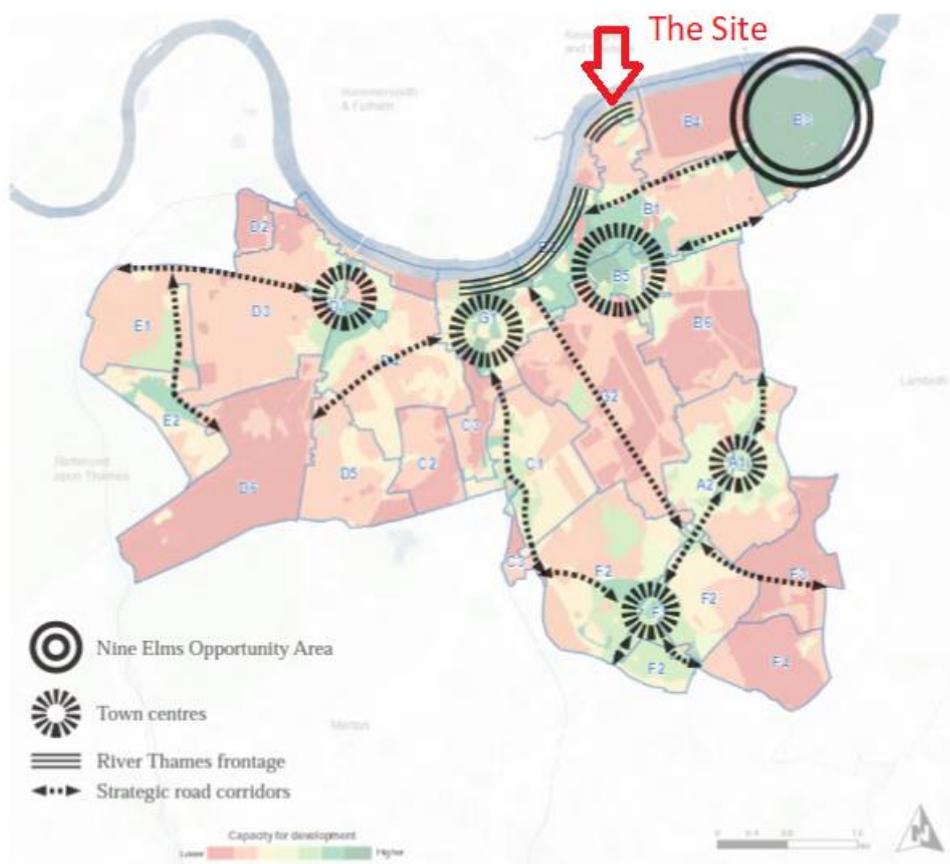
³ Paragraph 199 of the National Planning Policy Framework

⁴ Paragraph 130 (e) of the National Planning Policy Framework

⁵ Page 26 of the Townscape Narrative

Further to the above, the Urban Design Study (2021) makes no reference to neither London-wide nor Wandsworth-specific examples of tall and/or landmark buildings that already mark London’s numerous bridges. Lombard Wharf frames the Battersea Railway Bridge in Wandsworth, One Blackfriars frames Blackfriars Bridge, and Nine Elms developments frame Vauxhall Bridge in Lambeth. There is clear precedent for tall buildings marking various bridgeheads across London, all of which were tested in townscape terms and in the absence of any townscape assessment of a tall building at the Site it is our view that Policy LP4 is **not justified**.

Page 11 of the Urban Design Study (2021) states that Wandsworth has capacity for tall buildings in a number of strategic and local locations, one of which is along the River Thames Frontage, as illustrated in the image below.⁶ It is perplexing that the 1 Battersea Bridge Road site is the only site within this area of the Thames Frontage that is not within a designated tall building zone, particularly where no justification for this has been given.



Draft Policy LP4 (Part C) states proposals for tall buildings will not be permitted outside the identified tall building zones. The apparent blanket-ban on tall buildings outside of tall buildings zones does not align with the recent *Master Brewery (2021)* judgment of the High Court. In summary, the court held that a tall building proposal should be assessed against the potential impacts outlined in Policy D9 (Part C) of the London Plan (2021) rather than assessing the impacts in a vacuum.⁷ Whilst London Plan Policy D9 allows local planning authorities to be more prescriptive with tall building locations it is clear from the *Master Brewery* judgment that an assessment of a scheme holistically should be considered. As currently drafted, Policy LP4 (Part C) strictly

⁶ Pages 15-16 of the Townscape Narrative

⁷ Paragraph 85 of Hillingdon judgment (<https://www.bailii.org/ew/cases/EWHC/Admin/2021/3387.html>)

prohibits tall buildings outside of tall building zones and removes an applicant's ability to appropriately provide a planning justification for a scheme. It is therefore our view that Policy LP4 (Part C) is **not in general conformity with the London Plan, nor is it effective**.

LP4 (Part 3) states proposals should be designed to reflect and respond to relevant key view corridors toward the Site to ensure location, form, detailing and prominence of tall buildings are appropriate within the wider context. We are generally supportive of this insofar as it seems to support the iterative design process and encourages applicants to engage in the design-led process. However, LP4 (Part 4) states the design of the lower, middle and upper parts of tall buildings should result in the creation of a visually coherent scheme both in terms of the building itself and how it relates to the surrounding area, and its appearance in any mid or long-range views.

The Site presents a clear opportunity at the bridgehead of Battersea Bridge to deliver a legible and visually coherent scheme which acts as a distinct marker of entry into the London Borough of Wandsworth.⁸ In this context, we consider the Site capable of accommodating a building taller than "mid-rise" in this location. This is echoed in the submitted Townscape Narrative which states that *"a tall, and potentially landmark building, is entirely appropriate for 1 Battersea Bridge Road. Furthermore, in townscape terms, we firmly believe that a tall building would be more appropriate here than a mid-rise building."*⁹

LP4 (Part 16) states tall building proposals should incorporate active frontages at ground floor. We are supportive of LBW's approach to active ground floor uses. This is particularly beneficial for sites such as 1 Battersea Bridge Road where such uses can help animate the building's landward-orientation and its river orientation along the Thames Path.

Much of the tall building "impacts" to be assessed under Policy LP4 concern design. In this design context, development proposals should be tested through the development management process following submission of a detailed planning application. It is our view that the 1 Battersea Bridge Road site is capable of satisfactorily meeting the criteria established in Policy LP4. As noted in the submitted Townscape Narrative, subject to the appropriate townscape and design testing we contend the 1 Battersea Bridge Road site is capable of accommodating a building taller than the heights identified as "tall" in the neighbouring tall building zone (7-storeys or 21m, whichever is less).¹⁰ Where this is the case, a "step up" from the adjacent tall building zone would help create the landmark or gateway building demarcating entry to the borough, as discussed above.

In light of the above, it is our view that the 1 Battersea Bridge Road site has been wrongly included within a mid-rise building zone. The Urban Design Study (2021) presents no clear, townscape or design evidence of the Site in which to justify the mid-rise designation. This is particularly pertinent considering the Site was included within an opportunity area for tall buildings and/or landmark buildings in the Reg.18 Local Plan and the fact that the neighbouring sites have remained within tall building zones and only 1 Battersea Bridge Road has been removed from the tall buildings zone.

For the reasons set out above, we consider this policy as drafted is **not justified**. The strict interpretation of the London Plan's tall building policy D9 is likely to discourage development and unduly restrict LBW's ability to deliver the wider objectives of Policy LP4. The policy as drafted is also therefore **not effective**.

⁸ Paragraph 2.19 of the Townscape Narrative

⁹ Paragraph 2.21 of the Townscape Narrative

¹⁰ *ibid*

LP6 – Basements and Subterranean Developments

Part A.1 of this draft policy states that new or extensions to basements will only be permitted where it would result in no more than one storey of basement accommodation below ground level. However, there does not appear to be any evidence base to justify this position in the Reg.19 Plan. The acceptability of basement development should be determined on a case-by-case basis and LBW should be supportive of such development where an applicant has demonstrated a basement has been appropriately designed with appropriate mitigation measures, where necessary. This draft policy therefore appears unduly restrictive, particularly in the context that there is no evidence to underpin this position. As such, we consider the policy is **not justified**.

Policy LP23 – Affordable Housing

This draft policy seeks to maximise the delivery of affordable housing in line with the threshold approach set out in Policy H5 of the London Plan (2021). The policy also proposes an affordable tenure split of 50% low-cost rented housing, 25% first homes and 25% other intermediate products. A minimum discount of 30% will be applied to First Homes.

PBL is supportive of affordable housing delivery. Nevertheless, where a site or development is not capable of coming forward in line with the threshold approach set out in Policy H5 (Threshold Approach to Applications) of the London Plan, or where the policy compliant tenure split is not deliverable, a viability case should be capable of being advanced with the Council. As drafted, Policy LP23 (Part E), states that viability information will only be accepted in exceptional circumstances. Clarity is sought from the Council in this regard as the use of 'exceptional circumstances' results in confusion with the drafting. Notwithstanding, the exceptional circumstances policy is more onerous than Policy H5, which allows applicants to make a case for a proposal in viability terms where the Fast Track Route requirement is not satisfied. This inflexible approach to viability testing schemes may limit the delivery of housing and affordable housing and render this policy objective undeliverable. This approach is therefore **not in general conformity with the London Plan** and is **not effective**.

Having particular regard to the delivery of First Homes as part of the tenure mix, PBL has concerns whether a site such as 1 Battersea Bridge Road would be capable of delivering such homes. Paragraph 1.32 of the Local Housing Needs Assessment (First Homes) document states that where a greater than 30% discount is sought, consideration should be given to whether this prejudices the scheme viability of providing other affordable tenures such as social rented homes. Policy LP23 is clear that low-cost rented housing (such as social rent) is the borough's priority. As such, we consider that the tenure element of the policy could allow for greater flexibility and negotiation with Officers through the normal planning application procedures.

LP33 – Promoting and Protecting Offices

This draft policy establishes the borough's approach to office development by focussing employment development to key strategic areas such as the Central Activities Zone ('CAZ'), town centres and economic use intensification areas for example. We support the borough directing office development to areas such as the CAZ (LBW's CAZ area is the Vauxhall, Nine Elms and Battersea Opportunity Area ('VNEB')) to cater for predominately large-scale office floorplates. The LBW Employment Land and Premises Study ('ELPS', 2020) indicates there is a net additional requirement for 22,500 sqm of office floorspace over the emerging plan period. We support the flexible approach of this policy in delivering new office floorspace to achieve this identified target.

Draft Policy LP33 (Part E) protects existing office floorspace in locations such as the CAZ and town centres, among others, and only supports redevelopment in those areas where they result in no net loss of office or upon a successful 18 month marketing period. The draft policy does not appear to apply strict protections to existing office floorspace outside of the abovementioned areas. We are supportive of this policy and consider it affords the appropriate flexibility in delivering an appropriate amount of office space in the borough.

LP38 – Affordable Workspace

This draft policy requires proposals delivering over 1,000sqm of economic floorspace (such as offices) to provide at least 10% of the gross economic floorspace as affordable workspace. Whilst we support the affordable workspace policy in principle, due to its current inflexibility it is **not effective** and cannot be considered to be “sound”. The policy as currently drafted requires applicants to deliver 10% of gross proposed economic floorspace even in an area which may see little SME demand, thereby making the space unlettable. This inflexibility can be corrected through applying the 10% threshold to the proposed net additional economic floorspace.

A similar issue was raised by Inspector Mike Fox in his Inspector’s Report to the Lambeth Main Modifications, whereby he noted ‘...the requirement of the policy to deliver 10 per cent of total floorspace, as drafted, for affordable workspace, provides very little flexibility in areas where SMEs have been declining due in part to high land costs.’¹¹ Inspector Fox continued that by applying the threshold to the gross floor area, Lambeth’s policy as drafted overlooks the back of house/circulation areas, which are not linked to specific users. As such, an affordable workspace applied to the net additional floorspace would result in a more ‘efficient and equitable way of calculating such provision.’

LP51 – Parking, Servicing and Car Free Development

Draft policy LP51 (Part D) requires car-free development where a given site has a PTAL 4 rating, a Transport Assessment demonstrates that private car parking is not required, with the appropriate number of disability friendly spaces are provided in accordance with the London Plan. We are generally supportive of LBW’s ambition to reduce car parking across the borough but consider the car parking strategy to be determined through the development management process informed by a Transport Assessment and/or other appropriate documents. The PTAL measure does not account for walking or cycling routes and/or shared cycling initiatives such as Santander Cycles, of which there are approximately five different docking stations nearby the 1 Battersea Bridge Road site. Further, there does not appear to be any evidence base documents to underpin the position that PTAL 4 is the default car-free position. The policy as currently drafted appears unnecessarily rigid and may contradict applicant efforts to encourage the use of more sustainable transport modes. This draft policy is therefore **not justified**.

LP59 Riverside Uses, including River-dependent, River-related and adjacent Uses

Parts F and G of this draft policy state:

F. Along the riverside within the Thames Policy Area, mixed-use development will be supported where it would create safe high-quality environments, provide new homes, leisure, social and cultural infrastructure facilities, provide public spaces, incorporate riverside walks and cycle ways and increased public access to the river.

¹¹ Paragraphs 134-135 of Lambeth’s Local Plan (2021) Inspector’s Report (https://beta.lambeth.gov.uk/sites/default/files/2021-07/Lambeth%20Local%20Plan%20Report%20-%20final_3.pdf)

G. Within Focal Points of Activity uses including restaurants, cafes, bars, cultural space and small-scale retail will be permitted in order to create vibrant and active places, subject to compliance with Policy LP43 (Out of Centre Development). High-quality and well-designed public spaces with good access should be provided to form new destinations which are designed to make full use of the amenities offered by the riverside. Successful clusters of existing economic floorspace should be re-provided, where possible, in accordance with Policy LP35 (Mixed Use Development on Economic Land). The Focal Points of Activity are located at:

1. Wandsworth Riverside Quarter and Wandle Delta
2. Lombard Road/ York Road Riverside
3. Ransomes Dock

We are supportive of this draft policy and the Borough's wider ambition to enhance its riverside spaces such as the River Walk, deliver new homes and other appropriate uses for end-users of the LBW's Thames Policy Area and Focal Points of Activity such as the Ransomes Dock Focal Point. The 1 Battersea Bridge Road site is located at the 'junction' of Battersea Bridge and the Thames Walk to the east which leads to Battersea Park and further to Battersea Power Station. An appropriate mixed-use development at the Site would allow these positive riverside uses to be delivered as sought in the draft policy.

Overall effects of the draft Plan

As outlined above, PBL have significant concerns with regards to the 'soundness' of the draft plan. In particular we consider that the details of the plan with regards to building heights results in such an undue and counter-productive constraint as to render the Site undeliverable during the plan period. The effect of which would be to sterilise the Site and ensure that it does not deliver the homes, jobs and public realm sought by other elements of the plan.

If the Residual Land Value ('RLV') produced by any of the three alternative development scenarios is lower than a Benchmark Land Value ('BLV'), the scheme is deemed unviable.¹² A proposed development is unlikely to be brought forward where it is unviable unless the level of affordable housing and/or planning obligations are reduced through agreement with LBW. In order to demonstrate the effect of the Reg.19 Plan we submit to the Council three redevelopment scenarios and subsequent viability assessments for consideration (Appendix 2).

The scenarios comprise the following:

- **Option 1:** Refurbishment of the Site for use as offices 56,369 sq. ft (GIA) (5,236.9 sq. m)
 - o This development scenario retains the structure of the existing building and proposes a refurbishment to Cat A standards.
- **Option 2:** Demolition of the existing building and re-development of the Site to provide an office development of 68,570 sq. ft (GIA) (6,370.4 sq. m)
 - o This development scenario re-provides office accommodation on the site in a new building which enables ground floor and significant public realm improvements to be delivered.
- **Option 3:** Demolition of the existing building and re-development of the Site to provide a mixed use office 34,485 sq. ft (GIA) (3,203.8 sq. m) and residential (17 homes) development.

¹² Page 3 of the Viability Report

- This development scenario re-provides an element of office accommodation on the site alongside new market and affordable homes in a new building which enables ground floor and significant public realm improvements to be delivered.

The plans for each option are provided in Appendix [2]. Importantly, each option has been developed to accord with the provisions of the draft Local Plan. In particular, Option 1 ensures that the existing building is not made any taller than the existing (i.e. 23.9m) and Options 2 & 3 are within the parameters of a mid-rise building.

The results of the accompanying Viability Report from DS2 demonstrate the following.

Option 1 – Retrofit of Existing Commercial Building

This option would retrofit the existing building to accommodate contemporary office standards/requirements including matters such as sustainability. It would deliver 5,236.9 sqm (GIA) of office floorspace across the building, as shown in the image below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

CBRE has undertaken a valuation at the Site to assist in forming the baseline of the viability assessment and have concluded that the BLV is £4.5 million (m). The existing Site conditions are dated and poor, failing to meet modern office standards/requirements. Due to the poor conditions it is estimated that a comprehensive refurbishment would be required to re-let the Site and would cost approximately £17m.¹³ Given the expenditure required to make 1 Battersea Bridge Road re-lettable far exceeds a BLV of £4.5m, it is highly unlikely that any developer would seek to undergo the extensive refurbishment works required to render the building fit for purpose. This sterilises the Site for redevelopment as it is an undeliverable scheme and an unattractive undertaking for developers.

Option 2 – Redevelopment of the Site to Provide New Office Building

This option comprises the demolition of the Site and redevelopment including a contemporary, 6-storey office building in line with modern standards, appropriate public realm improvements and ground-floor commercial space. A floor-by-floor area schedule is illustrated in the figure below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

¹³ Page 5 of Viability Report

The RLV for this option is £-5.5m and the BLV remains unchanged at £4.5m, meaning there is a **-£10m deficit**. The relevant guidance is clear that sensitivity analyses must be undertaken when testing development viability;¹⁴ this allows applicants to account for potential variations in residual valuations. The sensitivity analysis demonstrates that this option relies on 5% decrease in rent per sq.ft and a reduction of 10% in construction costs to become a viable proposition. However, with supply-chain issues and the cost of construction increasing due to wider economic conditions such as Brexit and Covid-19, we do not consider this to be a realistic proposition.

According to the viability analysis, this alternative development scenario also demonstrates an unviable position were a scheme to come forward that was capped at 6-storeys in line with the draft tall buildings policy. This approach limits the council's ability to deliver the wider objectives of the Reg.19 such as the 10% affordable workspace (in line with draft Policy LP38), enhanced public realm along the River Thames Walk (in line with draft Policy PM9). The Site being subject to the 6-storey height cap therefore renders the draft plan, when read as a whole, undeliverable and **not effective**.

Option 3 – Residential-led Mixed Use Development

With a Residual Land Value of -£13.3 and the BLV unchanged at £4.5m, this alternative development option would be in a **-£17.8 deficit**. This option comprises 17 residential units and 34,485 sq. ft (GIA) (3,203.8 sq. m) office floorspace as per the figures below.

Level	Option 01 - Retrofit				Option 02 - Commercial Redevelopment				Option 03 - Mixed Redevelopment							
	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	Residential Demise				Commercial Demise			
									GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)
00	863.4	9294	663.8	7145	955.1	10281	709.1	7633	484.2	5212	92.9	1000	478.7	5153	334.6	3602
01	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.4	4213	478.7	5153	361.7	3893
02	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
03	863.4	9294	663.8	7145	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
04	525.2	5653	366.5	3945	955.1	10281	807.7	8694	484.2	5212	391.1	4210	478.7	5153	361.7	3893
05	224.0	2411	144.7	1558	600.5	6464	429.1	4619	335.8	3615	263.8	2840	331.6	3569	246.5	2653
B1	1034.1	11131	-	-	994.4	10704	-	-	515.7	5551	-	-	478.7	5153	-	-
B2																
Total	5236.9	56369	3166.4	34083	6370.4	68570	4369.0	47027	3272.5	35225	1921.4	20682	3203.8	34485	2027.9	21828

Such a large deficit prohibits a developer's ability to deliver wider objectives of LBW's draft local plan, particularly the borough's ambition to deliver 1,950 new homes over the plan period. Moreover, a -£17.8m deficit would mean a developer would be unable to deliver a policy compliant scheme in relation to housing and affordable housing. Particularly in relation to LBW's draft First Homes policy as a further 30% discount (minimum) would further increase the deficit. We consider the height cap to be unduly restrictive and negatively impact the viability, and thereby deliverability of the Reg.19 Plan.

This further demonstrates that the Reg.19 Plan is not effective, as currently drafted. In addition, there are wider planning benefits PBL would not have the opportunity to deliver under these circumstances, including LBW not receiving any Community Infrastructure Levy ('CIL') money to help deliver pieces of social and transport infrastructure.

Conclusion

PBL is committed to delivering the re-development of the 1 Battersea Bridge Road site and to work with the Council in doing so. There are elements of the Regulation 19 Plan which could deliver growth and an enhanced environment to the borough and PBL is willing and capable of delivering against these objectives. However, as currently drafted, **we do not consider the plan to be sound as it is not effective, justified or consistent with national policy.**

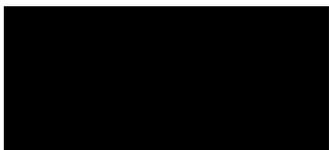
¹⁴ RICS Professional Statement 'Financial Viability in Planning; Conduct and Reporting' (2019)



We look forward to continuing to work with the borough to deliver growth in Wandsworth and thank you for the opportunity to engage in this consultation. We would be grateful for confirmation of receipt of these representations and trust that these comments will be taken into consideration as officers finalise a submission version of the Local Plan.

Please do not hesitate to contact us on the details at the head of this letter should you require any further information.

Yours faithfully,



For and on behalf of Promontoria Battersea Limited