



**Freehold investment sold in  
New Eltham — See page 4...**

# THE UPDATE

1<sup>ST</sup> QUARTER 2017

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# EDITORIAL



**Jeff East - Director**  
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The first quarter of any given year is traditionally our slowest, but I'm delighted to report that we started 2017 with an almighty bang! In fact, we've just enjoyed our best Jan - March period ever. Momentum hasn't let up since mid-August last year, and over the last 3 months we've contracted a number of notable deals across various sectors. Perhaps tellingly, several of those deals we were unable to conclude in 2016; so here's hoping for a much better 2017.

Whilst residential-led development opportunities continue to provide the majority of our volume, PRS deals, other investments and our equity management work are increasingly bearing fruit. During the first quarter we completed a number of very different investment sales, including that of a unique (well, at least to us) hotel investment in South East London. We sold a pub in Sydenham and another in Woolwich with development potential, and both at considerably higher sums than we'd failed to achieve in early 2016.

The residential developers (and landowners) amongst you might be interested to know that we exchanged contracts on sites in London Bridge at £383,000 per plot, Peckham at £275,000 per plot and Bermondsey at £254,000 per plot. Our committed and high profile approach to marketing clearly continues to result in premium prices being

achieved on behalf of our clients. As you'll read later in this 'Update' we hosted a spring party at our Bermondsey Street base in late February. We had a fantastic turnout of clients and contacts, and in addition to serving as great daytime offices, Renaissance Works is also proving a top night time party venue! The spring bash was quickly followed by our annual trip to Brighton for the CIH Conference. The large proportion of our team and the PRS Division were in attendance, and hosted a dinner in The Grand Hotel for 20 or so contacts from the Affordable Housing sector.

In team news we welcomed Kyle Peters back to the fold in early March. Kyle worked for us between 1996 - 2008, and over the last 9 years has gained a wealth of experience client-side in the Central London investment market, and more recently for a national retirement developer. Kyle will focus on new business opportunities, and will move between our offices.

In summary the market is good, there's lots of demand from both old buyers and new money, and our hard work is yielding great results. Clearly we'll never have quite enough business though, so if you're a motivated seller or landlord, and seek an agent that will do a proper job in a transparent fashion, please get in touch.

## ELTHAM SE9

In the majority of cases our services are rendered on behalf of the landowner, but occasionally circumstances require us to introduce a retained client. Aware that the owners of this prominent commercial site had a historic planning consent and the desire to sell, our development team introduced award-winning retirement developers, Churchill Retirement Living.

A conditional deal was agreed off market, and Churchill successfully secured full planning permission for the construction of 38 self-contained retirement apartments. The previous owners acquired alternative premises in Orpington and our sale completed in February 2017.

If you have a potential development site to sell but would prefer that the matter is dealt with in confidence, please contact Jeff East on 020 7089 6555.





## SYDENHAM SE26

Our commercial team concluded the sale of this landmark, Locally Listed public house in Sydenham in January 2017.

'The Greyhound' is located at arguably one of the busiest roundabouts in South East London, and benefits from a large forecourt, traditional Victorian features and a newly created basement. The pub was offered in shell and core condition, allowing potential tenants or purchasers the opportunity to fit the building to their own specification.

Designated by the Local Authority as an Asset of Community Value (ACV) under the Localism Act 2011, our marketing focussed on sourcing potential tenants and purchasers with the desire to continue the long-standing pub use.

The marketing campaign generated considerable interest, and saw us ultimately conclude a sale to a successful independent pub already trading in nearby Crystal Palace. Regardless of the use or designation of your property, our commercial team employs tailored solutions in order to maximise value.

## WOOLWICH SE18

This redundant public house, HMO and vacant yard forms a strategic corner of the Charlton Riverside master-plan zone. Expected to be allocated for a mixed-use tower, we were unable to secure a buyer when the property was marketed in early 2016. We received a number of unsolicited approaches

early this year, and not only was an unconditional sale promptly concluded, but at 20% more than we had tried to achieve 12 months ago. I don't necessarily believe that values have improved over the last 12 months, but there's no doubt that the appetite shown by buyers has grown considerably.



## PENGE SE20

Property investments of all types are proving a hot commodity at present, and we can't see any reason why that would change all the while that interest rates are at an all-time low.

Our investment team had no trouble locating a buyer for this mixed-use asset, and at £75,000 more than our client had expected to achieve. Comprising commercial income from a Citroen franchise and the ground rent income from 9 flats and 3 shops, the sale was concluded at a NIY of 6.3%. Please get in touch if you have a similar property to sell.

# LONDON SE9

In 2014, we were asked to advise a private client who owned a former public house on the prominent Five Ways junction of the A20. Our client had recently retired, and ultimately wanted a secure income that in due course he could pass to his children. At the time he was reluctant to sell for tax reasons.

Knowing that Premier Inn had a requirement in the area, and given that the location was ideal for a hotel, we structured a deal whereby Whitbread took a long lease (999 years with breaks every 25 years) over the land. The deal was structured so that Premier Inn paid an initial premium, and an annual rent higher than the amount being paid by the previous tenant.

In return, Premier Inn effectively had control of the land to develop and trade a hotel from the site. Planning permission was granted and a 91 bedroom hotel with parking and a bar/restaurant facility was constructed. The outcome was that our client had long term income from one of the best covenants in the UK (5A1) and continued to own the freehold of a valuable investment!

Towards the end of 2016, once the hotel was open and trading, our client contacted us again advising that his circumstances had changed and asked if we would sell the investment. We set about the marketing and ultimately concluded a sale at a gross initial yield of 3.64% to a private family investment



fund. Contracts exchanged within 3 days, and completion took place in early 2017.

If you own a property or site that appears to offer alternative use potential, please contact us for advice on maximising value.



# DULWICH SE22

During the final quarter of 2016, our investment team was appointed to manage the marketing and sale of this attractive mixed-use freehold in Dulwich by a long term client of the Group. Well-located on sought-after Lordship Lane; the property comprises a large ground floor A1 retail unit with one 4 bedroom and two 3 bedroom flats in the upper parts; all let on ASTs.

Our advice was tailored to suit the property, clients' requirements and prevailing market conditions: In tandem with a high profile marketing campaign, we encouraged our client to engage the services of a recommended solicitor to prepare a legal pack. This would enable us to ensure a quick and efficient exchange of contracts.

After holding several block viewings, we received a host of offers, and promptly agreed a sale at £150,000 in excess of the guide price. Contracts were exchanged expeditiously and at a NIY (net initial yield) of just 3.79%! Needless to say, our efforts in securing such a robust price for the property resulted in a very happy seller.

# IN A NUTSHELL



## BERMONDSEY SE1

The commercial team at our London Bridge offices has enjoyed a busy first quarter having completed a number of notable deals. This shell unit with office (B1) use is arranged over ground and lower ground floors, and sits on a prominent corner in Bermondsey Street. Extending to approximately 2,641 sqft, we achieved £1,575,000 for the virtual freehold interest. We are now appointed to locate a tenant for the space.

## BOROUGH SE1

This former dairy building was occupied by a printing firm, but was offered for sale with the benefit of planning permission to develop 6 apartments and 2,300 sqft of offices. The site, located adjacent to Borough tube station attracted lots of interest both from developers, and other local stakeholders. Several offers were received, but a sale was ultimately concluded to a neighbouring property owner.



## ELTHAM SE9

These neighbouring commercial properties are both let, and producing a total of £38,750 pax. Located in a secondary parade close to Eltham Station, the properties were sold to a local investor.



## LEE SE12

Vacant freehold A1 unit with 2 bedroom flat above and yard to the rear. In need of refurbishment throughout, the property was sold to a local investor.



## NEW ELTHAM SE9

Modern business unit located on a popular estate just off the A20. Approx 1,950 sqft in all - sold on behalf of a private investor to a local clothing business.



## BROMLEY BR1

Converted period mill in a sought-after location in central Bromley. Measuring approximately 2,051 sqft, this newly refurbished property was let to a gym operator for use as studios and offices.



## STAFF FOCUS: ANDREW TILBROOK

Andrew joined Acorn's Commercial & Development division after 3 years working in residential sales in Central London. He is based in our Bromley office and focuses on the sale and letting of an array of commercial properties.

**Name one thing you can't live without?**

It's very close between tea and beer! Tea just takes it though, I'd be in such a bad mood everyday without it.

**What's the last song you listened to?**

'Get Back' by Ludacris.

**Favourite meal of the day?**

Breakfast, I can't miss it and normally like two!

**What's on the top of your bucket list?**

Safari. I've never been on one and would love to go to Botswana.

**We know you love a game of rugby - who's your favourite team?**

England of course! I support Saracens too, they're not my local team, but I love their style of rugby.

**Do you have any strange habits?**

Yes! But I'm not going to discuss it here.

**What's your dream car?**

Mercedes-Benz SLS AMG.

**Favourite holiday destination?**

Cuba.

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## QUOTES OF THE QUARTER

We love our lightbox at Renaissance Works. Below are a few of our favourite quotes this quarter. If you want to see your quote featured on our page, feel free to tweet us!



 **Tweet us today @acorncommercial!**

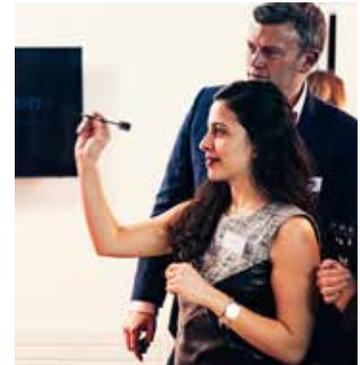
# SPRING PARTY

A successful start to the year gave us the perfect excuse for a party, so staff from across the Group hosted clients invited by our Commercial & Development, New Homes, Private Rented Sector, Financial Services and PR Divisions at our London Bridge offices.

“The evening was a huge success and went on far longer than we had planned!”

With an in-house DJ and plenty of food and drink to go around, Renaissance Works proved yet again the ideal venue to discuss new business and existing working relationships with our clients.

The evening was a huge success and went on far longer than we had planned! Plans for our next event at Renaissance Works are already in motion!



# OUR TEAM



**Adam Hosking**  
Associate



**Emma Fox**  
Office Manager



**Jeff East**  
Director



**Tom Luck**  
Director



**Kyle Peters**  
New Business Manager



**Tony Wood**  
Projects Manager



**Henry Hammond**  
Projects Manager



**Steven Flannigan**  
Projects Co-ordinator



**Andrew Tilbrook**  
Projects Co-ordinator



**Louis Markham**  
Projects Assistant



**Lily Whitby**  
Team Secretary



**Emma Cramer**  
Team Secretary

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## OTHER NEWS IN BRIEF...

Development site in Bermondsey with consent for 34 units - contracts exchanged at £6.1m... Victorian building in Peckham with consent for 8 residential units - contracts exchanged at £2.2m... Industrial building in Kennington - contracts exchanged at £2.45m... Office building in Bromley with permitted development potential - contracts exchanged at £2.0m... Freehold industrial unit in Bermondsey - contracts exchanged at £1.25m... Development site in Sidcup with consent for 5 flats - contracts exchanged at £695k... Small shop and upper parts located in Catford - contracts exchanged at £400k...