DISCOVER
SOUTH BANK
WATERLOO
BANKSIDE
BOROUGH WEST
LONDON BRIDGE
BERMONDSEY
ELEPHANT & CASTLE
CAMBERWELL
KENNINGTON
VAUXHALL
NINE ELMS
BATTERSEA
WANDSWORTH

UNION STREET PARTNERS IS A JOINT VENTURE BETWEEN FAREBROTHER AND TUCKERMAN. IT PROVIDES A SPECIFIC AND BESPOKE REAL ESTATE SERVICE FOR THE SOUTH BANK, A MARKET WHICH HAS UNDERGONE AN UNPRECEDENTED TRANSFORMATION AND WHICH IS NOW FIRMLY ESTABLISHED AS ONE OF CENTRAL LONDON'S MOST IMPORTANT BUSINESS DISTRICTS. THE PRACTICE'S SERVICES INCLUDE OFFICE AND RETAIL LEASING, SALES AND DEVELOPMENT, LEASE ADVISORY, BUSINESS RATES, VALUATION AND INVESTMENT ADVICE.

UNION STREET PARTNERS’ EXTENSIVE RESEARCH IS AIMED AT PROVIDING A SHORT, SHARP INSIGHT INTO THE LONDON SOUTH BANK MARKET. THIS QUARTERLY REPORT REVIEWS THE OVERALL PERFORMANCE OF THE LEASING, DEVELOPMENT AND INVESTMENT MARKETS AND IS PUBLISHED ALONGSIDE UNION STREET PARTNERS’ INVESTMENT REPORTS, PRODUCED IN PARTNERSHIP WITH IPD, TOGETHER PROVIDING A COMPREHENSIVE ANALYSIS OF THIS MARKET.

DEFINITIONS

South Bank - SE1, SE11, SE17, SW8
Stock - office accommodation, excluding offices under construction
Floorspace - net internal area, unless otherwise stated
Available - office space available for immediate occupation
Availability Rate - available offices as a proportion of total stock
Take-up - completed transactions where offices are let or sold to an occupier
New - brand new buildings or buildings developed behind a retained façade
Refurbished - buildings which have undergone a major refurbishment
Secondhand Grade A - previously occupied higher quality space with features such as air-conditioning or raised floors
Secondhand Grade B - previously occupied lower quality space with features such as central heating or perimeter trunking
Construction start - development where the main contract has commenced, normally excluding demolition or stripping out
Construction completion - development where the main contract has reached practical completion
Hidden Supply - space which is not currently on the open market, but likely to come available in the near future
Long-Term - average calculated since the
1st Quarter 2005
DAMIT - Design; Advertising, Marketing & PR; Media; Internet; and Technology & Telecoms
A CHRONIC LACK OF SUPPLY IN SOUTH BANK AND FIERCE OCCUPIER DEMAND IS DRIVING UNPRECEDENTED RENTAL GROWTH ACROSS THE MARKET

South Bank remains Central London’s tightest market, with a total Availability of 620,113 sq ft and an Availability Rate of just 2.8%. A considerable proportion of the market’s available office space is in one building, The Shard, SE1, without which the Availability Rate in South Bank drops to a shocking 1.5%.

The chronic lack of supply, which shows no signs of abating due to such a modest development pipeline, is now both restricting Take-up and applying upward pressure to headline rents.

Take-up in the 2nd Quarter 2015 reached just 202,893 sq ft, down 10% on the 1st Quarter and down 27% on the five-year quarterly average (277,223 sq ft). Notable lettings in the quarter included the 20,200 sq ft letting to recruitment consultants Robert Half at The Shard, 32 London Bridge Street, SE1, law firm Winkworth Sherwood LLP’s 13,509 sq ft letting at Minerva House, 5 Montague Close, SE1, and Adam Smith International who took 11,804 sq ft at 240 Blackfriars Road, SE1, paying a headline rent of £59.00 psf.

There has been no drop off in Occupier demand, however, and some of the rents achieved in the 2nd Quarter across the whole spectrum of office stock, dispels the misperception that South Bank is a discount market.

Total Take-up for the first half of the year reached just 428,308 sq ft, down 36% on H1 2014 (665,117 sq ft). At the end of 2014 we predicted total annual Take-up in 2015 would reach 1m sq ft, a level which is still achievable with just two more quarters of average Take-up (277,223 sq ft) boosted by the 255,479 currently under offer. Although this level of Take-up would still be respectable, by comparison it is well below the levels experienced over the past two years. There is simply not enough stock in the pipeline to satisfy demand for space in South Bank and the key to lifting Take-up levels continues to lie within pre-commitment and Hidden Supply.

Investment in South Bank office stock totalled £181m in the 2nd Quarter 2015, up 7% on the 1st Quarter (£169m). Appetite from both UK and Overseas Investors remains robust and continues to strengthen, however, South Bank remains a challenging market to acquire in. It is a relatively small market, comprising 22m sq ft of office stock, and therefore liquidity is compromised, particularly as a significant amount of stock is held by non-Real Estate owners. We have witnessed a pattern in South Bank of a continual churn of smaller transactions and a handful of big-ticket acquisitions, with competition remaining fierce.
TOTAL AVAILABILITY

620,113 sq ft
% change on Q1 15
-8%

Q2 15 TAKE-UP

202,893 sq ft
% change on Q1 15
-10%

AVAILABILITY NEW & REFURBISHED

354,246 sq ft
% change on Q1 15
-1%

Q2 15 INVESTMENT

£181 m
% change on Q1 15
+7%

AVAILABILITY SECONDHAND

265,867 sq ft
% change on Q1 15
-28%

TOTAL SPECULATIVE SPACE UNDER CONSTRUCTION

392,178 sq ft
% change on Q1 15
+1%

AVAILABILITY RATE

2.8%
% change on Q1 15
-0.3% pt
**House View**

**Fundamental shift in the Occupational Market**

South Bank’s vibrant neighbourhood is undergoing rapid change and just like Midtown across the river, a massive transformation in perception. This all started with the delivery of new infrastructure, most notably the redevelopment of London Bridge Station and the reopening of Blackfriars Bridge allowing Thameslink to form another link across the river. The improved connectivity has attracted large scale Occupiers to the area, particularly from the DAMIT sector, who have converged on both sides of the river forming a central spine of Advertising, Marketing & PR and Media companies on a clear north-south axis, right in the very Centre of London.

The reshaping of the London map is a constant process and it is this ‘central core’ in London’s South Bank and Midtown where the changes are most dynamic. The evolution of London’s central core on the north-south axis from the northern border of Midtown at King’s Cross through the South Bank is underpinned by companies more frequently looking at the Centre of London in South Bank and Midtown, ahead of the West End and City.

South Bank is a very dynamic and exciting market that hosts a broad mix of uses and is fast becoming a new destination for a younger, more vibrant Occupier. South Bank’s appeal on a retail and leisure front is set to have a remarkable transformation should a number of proposed large retail-let schemes get underway in response to the changing demographic. Exciting plans to transform Vinopolis into a fashion-led retail development will give the Borough Market area a significant boost, further fuelling the needs of residents and the huge flow of tourists.

**South Bank rents are soaring as demand outstrips supply**

As the squeeze on South Bank supply remains, it continues to apply pressure to headline rents. In the 2nd Quarter, 35% of transactions undertaken achieved a headline rent of £45.00 psf or above. This underlines the rental growth in South Bank since 2011 when the average headline rent on Secondhand Grade A, New and Refurbished stock did not exceed £30.00 psf.

Looking forward, due to a modest development pipeline and the lack of Hidden Supply (supply which is neither immediately available or currently under construction) and little sign that Occupier confidence will abate we believe these rental levels are sustainable. Furthermore, with supply expected to tighten further, we expect to see more record rents achieved on the remaining space at The Shard, SE1, and 240 Blackfriars Road, SE1, as these are now the only two buildings that can provide New space in South Bank.

**South Bank Headline Rents**

![South Bank Headline Rents](image)

**The Grey Market**

There is a lot more unreported activity going on underneath the surface in South Bank by Occupiers whose buildings are no longer fit for purpose and are looking to relocate, consolidate or expand.

These Occupiers are often found to be ‘window shopping’, launching an active requirement but soon discovering there are few suitable, affordable alternatives with such a low supply market. The option to renew an existing lease is often a preferable solution, reducing operational disruption and costs for dilapidation, fit out, relocation and higher rents.

Occupiers are also re-gearing their existing leases for certainty. This can guarantee rent for a fixed term, deliver improved incentive packages (rent free periods, capital contributions, improvement works) and negotiations to break clauses in return for incentives.
TAKE-UP

TOTAL TAKE-UP
Q2 15
202,893 sq ft
% change on Q1 15 -10%
Five-year Quarterly Average 277,223 sq ft

TAKE-UP
NEW & REFURBISHED
53,363 sq ft
% change on Q1 15 +7%
Five-year Quarterly Average 97,459 sq ft

TAKE-UP
SECONDHAND
149,530 sq ft
% change on Q1 15 -15%
Five-year Quarterly Average 169,967 sq ft

THE LACK OF SUPPLY IN SOUTH BANK IS BOTH RESTRICTING TAKE-UP AND APPLYING AND UPWARD PRESSURE TO HEADLINE RENTS

ANNUAL SOUTH BANK TAKE-UP

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.63M</td>
<td>0.43M</td>
<td>1.60M</td>
<td>0.43M</td>
<td>3.26M</td>
</tr>
<tr>
<td>2014</td>
<td>1.60M</td>
<td>0.43M</td>
<td>1.60M</td>
<td>0.43M</td>
<td>3.03M</td>
</tr>
<tr>
<td>2015</td>
<td>1.60M</td>
<td>0.43M</td>
<td>1.60M</td>
<td>0.43M</td>
<td>3.03M</td>
</tr>
</tbody>
</table>

TABLE.1 SELECTED OFFICE TAKE-UP IN SOUTH BANK

<table>
<thead>
<tr>
<th>Occupier</th>
<th>Address</th>
<th>Sq ft</th>
<th>Grade</th>
<th>Reported Rent £psf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Half</td>
<td>The Shard, 32 London Bridge Street, SE1</td>
<td>20,200</td>
<td>New</td>
<td>Conf.</td>
</tr>
<tr>
<td>Winckworth Sherwood LLP</td>
<td>Minerva House, 5 Montague Close, SE1</td>
<td>13,509</td>
<td>Secondhand Grade A</td>
<td>41.60</td>
</tr>
<tr>
<td>Adam Smith International</td>
<td>240 Blackfriars Road, SE1</td>
<td>11,804</td>
<td>New</td>
<td>59.00</td>
</tr>
<tr>
<td>Allies &amp; Morrison</td>
<td>91-93 Southwark Street, SE1</td>
<td>9,534</td>
<td>Refurbished</td>
<td>51.00</td>
</tr>
<tr>
<td>RedAnt</td>
<td>240 Blackfriars Road, SE1</td>
<td>6,007</td>
<td>New</td>
<td>64.00</td>
</tr>
</tbody>
</table>

Source: Union Street Partners
We warned at the start of 2015 that the paucity of stock in South Bank would prevent Take-up reaching the levels achieved in 2013 and 2014, and this is bearing out. Take-up in the 2nd Quarter 2015 reached 202,893 sq ft, down 10% on the 1st Quarter and down 27% on the five-year quarterly average (277,222 sq ft). A smaller proportion of transactions took place in the 2nd Quarter (26), compared to a typical quarter, where, on average around 40 transactions complete. This follows a similarly low churn in the 1st Quarter when only 24 transactions completed.

Take-up was dominated by Secondhand Grade B stock in the 2nd Quarter, accounting for 62% of all transactions and it was no surprise that the majority of transactions (72%) were in the 1,000-5,000 sq ft size category. We believe this is down to smaller Occupiers having more confidence and moving forward with expansion plans after the General Election.

The lack of supply, however, is not only restricting Take-up but also applying upward pressure to headline rents. With no decline in demand some of the rents achieved during the 2nd Quarter across the whole spectrum of office stock, dispels the misperception that South Bank is a discount market.

In the 2nd Quarter, 35% of transactions that completed were £45.00 psf or above. These included Technology company RedAnt paying a headline rent of £64.00 psf at 240 Blackfriars Road, SE1, which is evidence of a shift in rental tone, as deals in this building previously achieved rents of £56.00 and £57.50 psf last year, £50.00 psf in 2013 and £47.00 psf in 2012. Another example is Cottons Centre, SE1, where £42.50 psf was achieved at the start of 2014, increasing to £45.00 psf later in 2014 and the latest transaction was £47.50 psf in early 2015. We believe these rental levels are sustainable, given the modest development pipeline, and little sign that Occupier confidence will abate. Furthermore, due to the tightening of supply, we expect to see more record rents achieved on the remaining space at The Shard, SE1, and 240 Blackfriars Road, SE1, as these are now the only two buildings that can provide New space in South Bank.

Whilst Professional Services and Other Occupiers dominated Take-up in the 2nd Quarter, the mix of Occupiers in South Bank over the last three years has been extremely diverse. Advertising, Marketing & PR (20%), Other (17%), which is predominantly made up by the Serviced Offices sector, Media (15%) have all been key drivers of Take-up over the last three years.

As we reached the 2015 half-way point, Take-up totalled just 428,308 sq ft, down 36% on H1 2014 (665,117 sq ft). In the 4th Quarter 2014 we predicted total Take-up in 2015 would reach 1m sq ft, a level which is still achievable with just two more quarters of average quarterly Take-up (277,223 sq ft) boosted by the 255,479 currently under offer. By comparison, however, this is well below the levels experienced over the past two years. There is simply not enough stock in the pipeline to satisfy demand for space in South Bank and the key to lifting Take-up levels continues to lie within pre-commitment and Hidden Supply.
AVAILABILITY

TOTAL AVAILABILITY
620,113 sq ft
% change on Q1 15: -8%
Five-year Quarterly Average: 1.22m sq ft

AVAILABILITY NEW & REFURBISHED
354,246 sq ft
% change on Q1 15: -1%
Five-year Quarterly Average: 374,779 sq ft

AVAILABILITY RATE
2.8%
% change on Q1 15: -0.3% pts
Five-year Quarterly Average: 5.5%

AVAILABILITY SECONDHAND
265,867 sq ft
% change on Q1 15: -28%
Five-year Quarterly Average: 651,564 sq ft

FIG. 4 QUARTERLY OFFICE AVAILABILITY BY SUBMARKET

Source: Union Street Partners
Overall Availability at the end of the 2nd Quarter 2015 fell marginally from 672,300 sq ft in the 1st Quarter 2015 to 620,113 sq ft, resulting in South Bank’s Availability Rate falling from 3.1% to 2.8%. South Bank currently has the lowest Availability Rate on record and is the lowest of all the Central London markets.

The Shard now accounts for 48% of South Bank’s total Availability and without it, the Availability Rate would be 1.5%. Without any imminent New stock coming onto the market, we anticipate a sub 3% Availability Rate in South Bank until the end of 2016.

While there are still pockets of New Availability (318,594 sq ft) situated in London Bridge and Bankside, (this is made up entirely of two buildings, The Shard, SE1, and 240 Blackfriars Road, SE1) only 35,652 sq ft of Refurbished space remains across the market.

However, the real concern is the increasing reduction of Secondhand supply. Secondhand Grade B supply has historically accounted for at least half of South Bank’s total Availability, however, it currently accounts for 43%. Figure 6 illustrates quarterly Availability by grade and clearly shows the rapid decline in supply since the 3rd Quarter 2014, a direct result of the 368,123 sq ft letting to Omnicom Group at 2 & 3 Bankside, SE1. Secondhand supply is currently under staggering pressure, falling 80% in the last five years, in particularly Secondhand Grade A stock.

Total Secondhand space currently totals 265,876 sq ft, 59% below the five-year quarterly average (651,564 sq ft). This is a fundamental problem due to the fact that Secondhand space has accounted for an average of 706,685 sq ft of annual Take-up in the last five years. Without this churn of Secondhand space, Occupiers are faced with little choice and are presented with more expensive stock.

In order to satisfy a requirement over 100,000 sq ft, Occupiers would have to look far into the future and consider pre-letting. There is currently only one building in current Availability (The Shard, 32 London Bridge Street, SE1) and one in South Bank’s pipeline (South Bank Central, SE1) that can satisfy a requirement over 100,000 sq ft.

We forecast last year that 2015 would prove to be the tipping point in South Bank with demand outstripping supply, and this is certainly proving to be the case. We have already witnessed a significant regression in Take-up so far this year, and we expect this to continue into next year.
FUTURE SUPPLY

TOTAL SPECULATIVE UNDER CONSTRUCTION

392,178 sq ft

% change on Q1 15
+1%

SOUTH BANK REMAINS CENTRAL LONDON’S TIGHTEST MARKET WITH AVAILABILITY AT 2.8% DUE TO A PIPELINE THAT IS ON PAUSE

CONSTRUCTION STARTS IN THE 2ND QUARTER 2015

3 VALENTINE PLACE, SE1

Above: Owned by a private developer, 3 Valentine Place, SE1, commenced construction in the 2nd Quarter totalling 28,009 sq ft of New office space and is due for completion in the 3rd Quarter 2016

50 SOUTHWARK STREET, SE1

Above: A&A’s 15,000 sq ft refurbishment of 50 Southwark Street, SE1, is due for completion in the 1st Quarter 2016
There is currently 392,178 sq ft of speculative space under construction in 11 schemes in South Bank, the largest of which is South Bank Central, SE1, which on completion in the 3rd Quarter 2016 will deliver 224,784 sq ft of office space. However, we anticipate a large proportion of this building will let during construction and therefore never form part of Availability.

The Shell Centre redevelopment is finally set to get underway, two years after it received planning permission but was frustratingly subjected to numerous legal battles preventing progress.

The scheme, officially known as Southbank Place, SE1, is a residential-led mixed-use development and will frame the existing 27-storey Shell Tower, SE1, which will continue to be owned and occupied by Shell. The Tower will be complemented by eight new buildings, one of which (Building 1) totalling 245,000 sq ft, is to be additional offices and trading floors for Shell. The development will also include 888 homes, 98 affordable homes, a further 275,257 sq ft of office space in Building 2 and 48,000 sq ft of retail, restaurants and cafés. Progress is now under way at the 5.25 acre site and on completion, expected by 2019, it will form a new destination within Waterloo, adding new public spaces, state of the art onsite amenities and offer spectacular views of Central London due to its position in an incomparable location on the banks of the Thames.

Hopefully now, the Elizabeth House, SE1, scheme will receive some traction and fall into this next wave of major development in Waterloo, an area that has lagged behind its counterparts, London Bridge and Bankside in terms of good quality stock. Much of which could be unlocked by these two development schemes and transform the area overnight.

Looking forward to the 3rd Quarter 2015, we had anticipated that 146,152 sq ft of Hidden Supply (supply which is neither immediately available or currently under construction) would come back to the market at Beckett House, Lambeth Palace Road, SE1, however, it is our understanding that construction company Bouygues will be taking this space which is due to complete later in the year. The implications of this are significant, resulting in potentially just 33,982 sq ft of space completing by the end of the year.
INVESTMENT

Q2 15 TURNOVER

£181 m

% change on Q1 15 +7%

Five-year Quarterly Average £264 m

APPETITE FROM UK AND OVERSEAS INVESTORS REMAINS ROBUST AND CONTINUES TO STRENGTHEN

OVER THE LAST FIVE YEARS BOTH UK AND OVERSEAS INVESTORS HAVE ACCOUNTED FOR 50% OF TOTAL TURNOVER

TABLE 3 SELECTED INVESTMENT TRANSACTIONS IN SOUTH BANK

<table>
<thead>
<tr>
<th>Address</th>
<th>Sq ft</th>
<th>Vendor</th>
<th>Purchaser</th>
<th>Reported Price £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>169 Union Street, SE1</td>
<td>117,392</td>
<td>Oxygen Asset Management</td>
<td>Henderson UK Property OEIC</td>
<td>90.00</td>
</tr>
<tr>
<td>57 Stamford Street, SE1</td>
<td>50,000</td>
<td>The Crown Estate</td>
<td>Dorrington</td>
<td>44.00</td>
</tr>
<tr>
<td>Tintagel House, Albert Embankment, SE1</td>
<td>78,066</td>
<td>Motcomb Estates</td>
<td>The Office Group</td>
<td>31.00</td>
</tr>
<tr>
<td>57-59 Great Suffolk Street, SE1</td>
<td>10,433</td>
<td>Private Vendor</td>
<td>DTZ Investment Management</td>
<td>6.52</td>
</tr>
<tr>
<td>18-19 Crimscott Street, SE1</td>
<td>14,100</td>
<td>Private Vendor</td>
<td>Boyer</td>
<td>3.30</td>
</tr>
<tr>
<td>Bank Chambers, 1-5 Wandsworth Road, SW8</td>
<td>7,847</td>
<td>The Big Issue</td>
<td>Northport Property</td>
<td>3.30</td>
</tr>
</tbody>
</table>

Source: Union Street Partners
The Investment market in the South Bank has demonstrated strong consistency with three consecutive quarters of turnover in-line with the five-year quarterly average. This resilient performance is noteworthy given the illiquidity faced by Investors across all the Central London markets. This demonstrates that appetite for South Bank stock is strong, and in particular from UK Funds who seek exposure to a market that is driven by the expectation of performance with its historic low vacancy rate.

At the end of 2nd Quarter 2015, South Bank Investment turnover reached £182m representing an incremental increase (7%) from the 1st Quarter 2015. This Investment activity was spread across nine transactions with an average lot size of £20.2m. UK funds accounted for 53% of acquisitions by value, closely followed by UK Property Companies at 28%.

The largest transaction was the acquisition of 169 Union Street, SE1, by Henderson UK Property OEIC for £90m. The property is let to the London Fire and Emergency Planning Authority (LEFPA) until March 2027, with a rental top-up until the rent review, 18th December 2015. This reflected a Net Initial Yield of 4.85%.

In the 2nd Quarter we noted that a significant number of transactions (44%) took place in the SW8 and SE17 postcodes, however, the bulk of Investment by volume (96%) remained focused on the SE1 postcode. This suggests that despite the growing interest in the wider South Bank areas, the granular nature of the real estate outside SE1 makes deploying capital a challenge.

What we have seen however, is a considerable amount of Far Eastern capital funding large scale residential schemes and mixed use schemes in these less established areas.

Whilst Overseas Investors have traditionally favoured the West End and City, we believe that their appetite for South Bank is strong and growing. There are a number of ‘Core’ assets currently being marketed in South Bank, such as the Blue Fin Building for circa £500m, that will attract considerable interest from a range of Overseas parties.

In addition to interest in ‘Core’ assets, we have seen a growing number of new Overseas entrants targeting strategic ‘place changing’ opportunities in the South Bank— as illustrated by the foreign Investment in Battersea Power Station, SW8, and more recently AYKON, 69-71 Bondway, SW8, more widely referred to as ‘Jenga Tower’ in Nine Elms. To date these have predominately been residential-led projects for development over the next five years. However, in last 12 months prime Central London residential price growth has stalled. In light of this, it is possible that over the next 12 months a number of developers will look to increase the commercial element of their proposals, in recognition of the demand/supply imbalance in the office sector.
RETAIL & LEISURE

THE CHANGING FACE OF SOUTH BANK RETAIL

Until recently the retail offering in South Bank has been inadequate given the needs of residents and the huge flow of tourists. However, South Bank’s vibrant neighbourhood is undergoing rapid change and a number of exciting plans have either been consented or pre-planning is underway. These much needed developments will create an emergence of a more diverse retail and restaurant offering.

In the 2nd Quarter 2015, Derwent London partnered with The Hoxton Hotel gained planning permission to transform the existing six-storey office building Wedge House, 40 Blackfriars Road, SE1, into a trendy mixed-use development. The new scheme will house a 192-room Hoxton Hotel spanning six floors and will be finished to Hoxton’s high brand standard, with a site-specific design concept drawing on the local context and history. There will also feature a 4,600 sq ft public rooftop sky bar along with a ground floor café, a bar and a multiple restaurant offer which will be run by private members’ club operators Soho House Group.

This successful hospitality group which started out in 1995 catering for those in the film, media and creative industries, has since expanded to include venues across Europe and North America, as well as restaurants, cinemas, spas and hotels. Their highly successful restaurant offers include Chicken Shop, Pizza East, and Dirty Burger and they have a proven track record of highly successful hospitality venues. It is intended for 40 Blackfriars Road to become a Southwark institution as per Soho House in Shoreditch.

Just around the corner on Stamford Street, SE1, is the mixed-use development Southbank Quarter, SE1, that includes 38,000 sq ft of retail and leisure. Waitrose recently announced they will be making their SE1 debut by taking 3,000 sq ft to house a ‘Little Waitrose’ convenience store. Their decision to venture south was due to South Bank becoming increasingly attractive to retail and office occupiers, who are drawn to the unique culture of the area and the already established residential population.

A potential ‘game changer’ in South Bank’s retail profile is Meyer Bergman and Sherwood Street’s plans for a fashion-led retail development next to Borough Market, SE1, within a three acre site that encompasses Thames House and Vinopolis, which will close for business in December 2015. Proposals for the new development include approximately 140,000 sq ft of retail space for an assortment of boutique stores off Dirty Lane, which is just one historic street name, along with Soap Yard and Clink Yard which will be revived if the scheme goes ahead.

In addition to the retail there will be a two-screen cinema and a new restaurant. The new scheme will undoubtedly appeal to new brands, designers, restaurant or bar concepts and boutique retailers, which coupled with Borough Market will be a big draw in this area of South Bank and strong competition to other key retail hotspots in Central London.

Left: Meyer Bergman and Sherwood Street Ltd are planning a fashion-led retail development on a two-acre site that currently incorporates Vinopolis and Thames House, SE1, next to Borough Market. The new scheme will include c.140,000 sq ft of retail space for boutique stores, a restaurant and a two screen cinema.

Above: Derwent London partnered with The Hoxton Hotel’s new mixed-use scheme at 40 Blackfriars Road, SE1, includes a 192-room hotel along with a publically accessible rooftop bar, a café, and multiple restaurant offers on the lower levels which will be operated by Soho House.
LOBOS Meat & Tapas Bar,
14 Borough High Street, SE1
This new and exciting tapas bar on Borough High Street focuses on prime cuts of Spanish and British meat. ‘Lobos’ which literally translates ‘wolves’ in Spanish, has been set up by former Brindisa chef Roberto Castro. It is a carnivore’s paradise which offers a short, sharp list of authentic, traditional tapas. Seasonal ingredients are sourced locally, and therefore dishes change frequently depending on what is available from Borough market. The split-level cavernous space under the rail arches, with dark wood and metallic finishes, is evocative of a wolves’ cave. It is accessible from both Borough High Street and Dragon Court Alley and seats 50 people. lobostapas.co.uk

Camino Bankside, 5 Canvey Street, SE1
Popular Spanish restaurant and bar group Camino has recently opened its doors at Bankside; projecting this time an informal take on an authentic Spanish tapas. Executive chef Nacho Del Campo, originally from the Basque country, has created a menu of tapas and sharing platters reflective of his heritage. The two-storey 100 cover site, will feature an open kitchen, jamón counter and bar area which serves Spanish craft beers as well as Madrid’s premium lager, Mahou. camino.uk.com

Brindisa, 18-20 Southwark Street, SE1
Brindisa Tapas Kitchens serve freshly prepared tapas along with cured meat, cheese and fish plates from Spain’s best producers. In 2004, after 16 years of wholesaling, including six years of retailing Brindisa’s foods, Monika Linton opened the first restaurant, Tapas Brindisa, in the heart of Borough Market. The name Brindisa comes from the Spanish word “Brindis”, the act of raising your glass in celebration. brindisa.com

Pizarro, 194 Bermondsey Street, SE1
Overlooking the picturesque Church of Mary Magdalen on London Bridge’s historic Bermondsey Street, José Pizarro’s 80-seater bar and restaurant is located just down the road from his sherry and tapas bar, José, and offers warm Spanish hospitality and elaborate dishes that have been tweaked for the modern diner. The menu allows for either course-by-course or tapas dining, and is made using the finest ingredients sourced from the UK and Spain. josepizarro.com/pizarro-restaurant

José, 104 Bermondsey Street, SE1
The more casual of José Pizarro’s two Bermondsey Street restaurants, José, is a small and cozy, slightly rustic Spanish tapas bar. Inspired by the bustling tapas bars around La Boqueria market in Barcelona and the traditional tapas bars in the hot, dusty towns and villages of Andalucía. No bookings are taken and the room is inevitably crowded, but that’s part of the fun. The daily menu depends on what looks good at the market on the day. You’ll see a mix of new dishes as well as old favourites like crisp and creamy centred croquetas, tasty Padrón peppers and freshly carved slices of ibérico ham. josepizarro.com/jose-tapas-bar

Mar I Terra, 14 Gambia Street, Waterloo, SE1
Opened in 2000, Mar I Terra is a simple ‘no frills’ Spanish restaurant housed in an imposing old building, formerly a pub built for Southern Railway workers. Authentic tapas food is available throughout the day, although it’s limited to cold deli plates during the afternoon. mariterra.co.uk

Meson Don Felipe, 53 The Cut, SE1
Established in 1987, Meson Don Felipe was one of London’s first authentic tapas bars and now an institution that still manages to draw the crowds. Its location near Waterloo’s theatres may be part of the draw, great for before the Old or Young Vic, however, this tightly packed Waterloo haunt is better known for its reasonably priced tapas, extensive wine list and a side of live flamenco music. mesondonfelipe.com

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