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 PARTNERHIP WITH IPD, TOGETHER PROVIDING A COMPREHENSIVE ANALYSIS OF THIS MARKET.

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

This new image shows the scope of transformation of one of London's last remaining industrial districts into a world-class destination right in the heart of the capital. Already home to Vauxhall and Battersea Power Station, Nine Elms on the South Bank will also be home to the new Embassy of the Kingdom of the Netherlands and the new U.S. Embassy. Underutilised industrial land is making way for new public squares, parks, schools, Tube stations, homes, and businesses, which will drive growth and create jobs and homes. It will become a strikingly modern addition to the cityscape and a new centre for culture on London's South Bank.

Image Courtesy of The Nine Elms Vauxhall Partnership

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The exponential growth of the South Bank office market, covering SE1, SE11, SE17 and SW8, where more than 3.25m sq ft has been let over the last two years, looks to have stalled. Just 225,415 sq ft of office space let in the 1st Quarter 2015, down 70% on the 4th Quarter 2014 and a 16% shortfall on the five-year quarterly average (273,457 sq ft).

The top three lettings of the quarter were all by Occupiers from the serviced offices and collaborative working world, a sector which is now responsible for a large proportion of Take-up both north and south of the river. The largest transaction was Workspace Group’s freehold acquisition of 65,606 sq ft at Edinburgh House, 154-182 Kennington Lane, SE11. Also, One Avenue Group leased 31,300 sq ft at 25 Lavington Street, SE1, and Instant Offices took 31,164 sq ft at 230 Blackfriars Road, SE1.

Total South Bank Availability has plummeted to under 700,000 sq ft for the first time since we started compiling office market statistics. There is now only 672,300 sq ft available, with vacant space at The Shard, SE1 and two remaining floors at 240 Blackfriars, SE1, accounting for 52% of that total.

In 2014 we forecast 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. There will be a significant regression in annual Take-up in 2015, and into 2016, conceivably half what we have seen in 2013-2014.

There is undoubtedly a terrific buzz around the South Bank and so we expect the leasing activity to be driven by a high volume of small transactions, as SMEs increasingly cluster around the mature corporates that have either expanded in, or moved to the South Bank. The top three transactions in the 1st Quarter were to serviced office operators – who can provide workspace for small start-ups and SMEs – is a further testimony to this trend.

With the exception of South Bank Central, SE1, which will deliver 225,000 sq ft office space next year, the next wave of major development isn’t due until 2018 when the Shell Centre and Elizabeth House could be delivered. The focus is now firmly on Vauxhall and Nine Elms where large-scale mixed-use development is fully underway and can provide New and Refurbished space.

Investment in South Bank office stock totalled £169m in the 1st Quarter 2015, marginally down 3% on the 4th Quarter 2014 (£174m). Investor appetite remains extremely strong in the South Bank, however, the volume of transactions in 2015 will once again be dictated by availability of opportunity. Following the recent exchange for the sale of Ludgate House and Sampson House, SE1, every site on the Blackfriars Road and Southwark Street cross-section is now accounted for, and is primed for major redevelopment.

The South Bank area now offers significant latent value as a result of being underdeveloped which is a legacy of where rents once stood. The rental growth we are now seeing, supports wholesale development/refurbishment and value add initiatives. It is therefore very much on Investor’s agendas. The single biggest challenge which remains, is finding and securing suitable opportunities, particularly in such a competitive environment.
<table>
<thead>
<tr>
<th>Total Availability</th>
<th>Q1 15 Take-Up</th>
<th>Q1 15 Investment</th>
<th>Total Speculative Space Under Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>672,300 sq ft</td>
<td>225,415 sq ft</td>
<td>£169 m</td>
<td>389,443 sq ft</td>
</tr>
<tr>
<td>% change on Q4 14</td>
<td>-7%</td>
<td>% change on Q4 14</td>
<td>No change</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Availability New &amp; Refurbished</th>
<th>Q1 15 Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>353,669 sq ft</td>
<td>£169 m</td>
</tr>
<tr>
<td>% change on Q4 14</td>
<td>% change on Q4 14</td>
</tr>
<tr>
<td>-1%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Availability Secondhand</th>
</tr>
</thead>
<tbody>
<tr>
<td>318,631 sq ft</td>
</tr>
<tr>
<td>% change on Q4 14</td>
</tr>
<tr>
<td>-13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Availability Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1%</td>
</tr>
<tr>
<td>% change on Q4 14</td>
</tr>
<tr>
<td>-0.2 pts</td>
</tr>
</tbody>
</table>
Focus is now firmly on Vauxhall and Nine Elms where large-scale development is fully underway

Vauxhall and Nine Elms on the South Bank has over £15bn of regeneration underway, and is one of the largest regeneration areas in Europe. Already home to Battersea Power Station and New Covent Garden Market, the area will also become home to the new U.S. Embassy, the new Embassy of the Kingdom of the Netherlands, and two new town centres at Vauxhall and Battersea Power Station. Underutilised industrial land is making way for public squares, parks, schools, two new Tube stations, homes, and businesses, which will drive growth and create jobs and homes. It will become a strikingly modern addition to the cityscape and a new centre for culture on London’s South Bank.

Renaissance across all use classes

A number of hotels around Waterloo have gained consent together with exciting plans for Lower Marsh, SE1, and the arches underneath Waterloo Station. These much needed developments in and around Waterloo will potentially create an emergence of a more diverse retail and restaurant offering.

The Nine Elms to Pimlico Bridge competition

Last year, Wandsworth Council launched an international competition to design a new bridge between Nine Elms and Pimlico. The two-stage design competition is now fully underway and in February the 74 entries submitted to the architectural competition were revealed. The winning design is due to be announced in autumn 2015. Innovative, challenging and exciting, the sheer number of designs show what a hugely significant project this is for South London, linking Pimlico with Nine Elms, with the bridge set to land adjacent to the new U.S. Embassy, a setting that will resonate on the world stage. The bridge will be both a crucial transport link and will become one of London’s landmarks.

Four teams of ‘World renowned’ architects and engineers have been shortlisted to design the new river crossing between Nine Elms and Pimlico, they are:

- Marks Barfield Architects and J&L Gibbons Landscape Architects with Buro Happold;
- Robin Snell & Partners with Bystrup;
- Amanda Levete Architects with Arup;
- Hopkins Architects and Grant Associates with Arup

The successful design represents a rare opportunity to make an indelible mark on the Capital. For us, as real estate advisors specialising in South Bank, the bridge is significant as it should hasten the market’s expansion south and west. The scale and mix of development at Nine Elms is creating a vibrant and diverse business district, with the Nine Elms bridge creating an important link to Pimlico.

We are aware that City of Westminster planners have some reservations around the local impact for Pimlico, but we would urge them to embrace the opportunity that this proposed iconic river crossing affords for London.
TAKE-UP IN THE 1ST QUARTER 2015 WAS DOMINATED BY SERVICED OFFICES, ACCOUNTING FOR 66% OF TRANSACTIONS

**TOTAL TAKE-UP**
- **Q1 15**: 225,415 sq ft
- % change on Q4 14: -70%
- Five-year Quarterly Average: 273,457 sq ft

**TAKE-UP NEW & REFURBISHED**
- **49,803 sq ft**
- % change on Q4 14: -78%
- Five-year Quarterly Average: 95,769 sq ft

**TAKE-UP SECONDHAND**
- **175,612 sq ft**
- % change on Q4 14: -67%
- Five-year Quarterly Average: 167,891 sq ft

**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>Workspace Group Ltd</td>
<td>Edinburgh House, 170 Kennington Lane, SE1</td>
<td>68,300</td>
<td>Secondhand Grade B</td>
<td>25.3m (FH)</td>
</tr>
<tr>
<td>One Avenue Group</td>
<td>25 Lavington Street, SE1</td>
<td>31,300</td>
<td>Secondhand Grade B</td>
<td>25.00</td>
</tr>
<tr>
<td>Instant Offices Ltd</td>
<td>230 Blackfriars Road, SE1</td>
<td>31,164</td>
<td>Secondhand Grade B</td>
<td>43.00</td>
</tr>
<tr>
<td>Network Rail Ltd</td>
<td>Cottons Centre, Cottons Lane, SE1</td>
<td>25,252</td>
<td>Refurbished</td>
<td>47.50</td>
</tr>
<tr>
<td>Io oil &amp; gas consulting</td>
<td>The Shard, 32 London Bridge Street, SE1</td>
<td>15,383</td>
<td>New</td>
<td>59.50</td>
</tr>
</tbody>
</table>

Source: Union Street Partners
Take-up in the 1st Quarter 2015 reached 225,415 sq ft, down 70% on the 4th Quarter 2014 and down 16% on the five-year quarterly average (273,457 sq ft). A total of 24 deals took place in the 1st Quarter, versus 45 in the previous quarter (-47%). The exponential growth of the South Bank office market, where more than 3.25m sq ft has been let over the last two years, looks to have stalled.

It was evident at the end of 2014 that the exceptional levels of Take-up achieved throughout the year (1.6m sq ft) would not be sustainable in 2015 due to the paucity of stock, and with supply under significant pressure we predicted a significant fall in Take-up. Moving forward, we expect to see early commitments on the majority of space under construction.

Serviced offices are of growing importance in the provision of business space across Central London catering for the increasingly flexible work environment and are expanding at a rapid rate. In the 1st Quarter, 66% of named Take-up was from the Serviced offices sector, which included the three largest transactions of the quarter. The largest was Workspace Group’s 68,300 sq ft freehold acquisition of Edinburgh House, 170 Kennington Lane, SE11, for £25.3m. Additionally, One Avenue Group let the entire 31,300 sq ft at 25 Lavington Street, SE1, and Instant Offices Ltd let 31,164 sq ft at 230 Blackfriars Road, SE1. This property is in a prime position along Blackfriars Road, with close proximity to Southwark Station and sits directly behind the proposed Bankside Quarter, SE1, development (formerly known as Sampson & Ludgate House, SE1). It is set to benefit from the large-scale development in the immediate area.

The perception of Serviced offices only being used by start-up companies is in fact not at all accurate, with around 50% of Serviced office space occupied by stable SMEs, who opt for this type of space as a reflection of the ease of use that such facilities offer, with the provision of fully equipped and furnished space without the need for individual facilities management. Some companies who have a project based arm, may desire presence in a particular area of Central London for a short period of time and not need to sign a traditional lease.

The total space currently under offer in South Bank is significantly lower then levels witnessed throughout 2014. That is not to say there is no demand for space in South Bank, however. This is underpinned by news that construction company Bouygues is in talks to take the entire 146,152 sq ft at Becket House, 1 Lambeth Palace Road, SE1, which is the only Availability over 100,000 sq ft due to come onto the market in 2015. There is simply not enough stock in the pipeline to satisfy demand for space in South Bank.

Due to the tightening of supply, we expect to see some 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 the market.
# Availability

## Total Availability

- **Total Availability**: 672,300 sq ft
- **% change on Q4 14**: -7%
- **Five-year Quarterly Average**: 1.25m sq ft

## Total Availability New & Refurbished

- **Total Availability New & Refurbished**: 353,669 sq ft
- **% change on Q4 14**: -1%
- **Five-year Quarterly Average**: 362,895 sq ft

## Total Availability Secondhand

- **Total Availability Secondhand**: 318,631 sq ft
- **% change on Q4 14**: -13%
- **Five-year Quarterly Average**: 883,579 sq ft

### Availability Rate

- **Availability Rate**: 3.1%
- **% change on Q4 14**: -0.2% pts
- **Five-year Quarterly Average**: 5.6%

### Quarterly Office Availability by Submarket

- **Source**: Union Street Partners

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**Legend**

- **New**
- **Refurbished**
- **Secondhand Grade A**
- **Secondhand Grade B**
Overall Availability at the end of the 1st Quarter 2015 fell marginally from 726,412 sq ft in the 4th Quarter 2014 to 672,300 sq ft, resulting in South Bank’s Availability Rate falling from 3.3% to 3.1%. 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 46% of South Bank’s total Availability and without it, the Availability Rate in South Bank would be 1.7%. Without any imminent New stock coming onto the market, we anticipate a sub 4% Availability Rate in South Bank until the end of 2016.

While there is still New Availability (351,133 sq ft) situated in London Bridge and Bankside, this is made up entirely of two buildings, The Shard, SE1, and 240 Blackfriars Road, SE1. Refurbished stock now totals a mere 2,536 sq ft, 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 only 33%.

There are currently nine buildings available in South Bank over 10,000 sq ft, two of which are already under offer. Once these are let there will be no sizable floor plates outside of The Shard on offer in South Bank as the majority of supply is in the 1,000-5,000 sq ft size band.

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. There will be a significant regression in annual Take-up this, and likely next year, conceivably 50% lower than what we have seen in 2013-2014.

Looking ahead to the 2nd Quarter 2015, there is 74,272 sq ft of refurbished stock due to complete, however, with 74,000 sq ft currently under offer, the supply squeeze in South Bank is set to continue. The shortage of supply will have a considerable impact on rents, which we anticipate will be driven upwards to record highs during 2015 as Occupiers compete for the remaining space.
FUTURE SUPPLY

TOTAL SPECULATIVE UNDER CONSTRUCTION

78,438 sq ft

% change on Q4 14
No change

FUTURE WATERLOO SUPPLY

WITH THE EXCEPTION OF SOUTH BANK CENTRAL, SE1, DELIVERING 225,000 SQ FT IN 2016, THE NEXT WAVE OF MAJOR DEVELOPMENT ISN’T DUE UNTIL 2017 AND 2018

Above: ITV has shortlisted four options in Central London for its proposed 260,000 sq ft relocation of its studio headquarters, which could potentially create a development opportunity for a new office and residential scheme at the site.

Left: Construction company Bouygues is in talks with Canary Wharf Group to potentially lease the entire 146,152 sq ft at Becket House, 1 Lambeth Palace Road, SE1, which is due to be available from the 3rd Quarter 2015.

Left: This prime river-front property, comes with full vacant possession providing the opportunity to refurbish and capture rental growth prospects as a result of the significant regeneration to Nine Elms, Battersea and Vauxhall.

MERANO RESIDENCES, (30-34), THE CORNICHE, (20-21), AND 22-29 ALBERT EMBANKMENT, SE1

Above: In the 1st Quarter, St James Group Ltd received planning for a third riverside residential development which runs along a stretch of the Albert Embankment, SE1. 22-29 Albert Embankment, SE1, now joins The Corniche, 20-21 Albert Embankment, SE1, and Merano Residences, 30-34 Albert Embankment, SE1, which on completion will deliver a total of 433 homes and 22,000 sq ft of office space.

BECKET HOUSE, 1 LAMBETH PALACE ROAD, SE1

TINTAGEL HOUSE, ALBERT EMBANKMENT, SE1

ITV STUDIOS, UPPER GROUND, SE1
There is currently 389,443 sq ft of speculative space under construction in eleven schemes in South Bank, the largest of which is South Bank Central, SE1, which on completion in the 2nd 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 next wave of major development isn’t due until 2018 when the Shell Centre, SE1, and Elizabeth House, SE1, could be delivered. Waterloo is in desperate need of good quality stock, much of which could be unlocked by these two development schemes.

In February 2015, the Shell Centre redevelopment survived a High Court attack when a judicial review was ruled out. It was concluded that the development constituted high quality and a good design, making Waterloo a better area for residents, workers and visitors alike. The project involves the partial demolition of the existing Shell Centre and redevelopment of eight new mixed-use buildings arranged around the retained Shell Tower, varying in height between five and 37-storeys. The development will deliver a New 275,257 sq ft office building, 65,000 sq ft of retail and 877 residential units. However, recent developments in early May 2015 spell further delays for the project as a local resident has been granted permission to appeal against the High Court’s rejection of the judicial review.

In the 1st Quarter, ITV announced it had shortlisted four options for their proposed 260,000 sq ft relocation of its headquarters in the capital, potentially unlocking an office and residential redevelopment of its London Television Centre which has a prime river fronting location on the South Bank. The 146,152 sq ft at Becket House, 1 Lambeth Palace Road, SE1, which has formed part of our Hidden Supply (supply which is neither immediately available or currently under construction) statistics since the 1st Quarter 2014 is the only sizable Availability expected in 2015, meaning we will be relying solely on the depleting Availability we have left, plus the 74,212 sq ft due to complete in the 2nd Quarter.
INVESTMENT

INVESTOR APPETITE REMAINS EXTREMELY STRONG IN SOUTH BANK, HOWEVER, THE VOLUME OF TRANSACTIONS THIS YEAR WILL ONCE AGAIN BE DICTATED BY AVAILABILITY OF OPPORTUNITY

100% OF Q4 14 TRANSACTIONS WERE UNDERTAKEN BY UK INVESTORS

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>Tower Bridge Plaza, Shad Thames</td>
<td>79,164</td>
<td>Private Vendor</td>
<td>Columbia Threadneedle Investments</td>
<td>48.00</td>
</tr>
<tr>
<td>Edinburgh House, 170 Kennington</td>
<td>68,300</td>
<td>Private Vendor</td>
<td>Workspace Group Plc</td>
<td>25.30</td>
</tr>
<tr>
<td>175-179 Long Lane, SE1</td>
<td>83,000</td>
<td>USS Investments</td>
<td>Baulbee LDN &amp; Peverill Securities</td>
<td>20.15</td>
</tr>
<tr>
<td>Bermondsey Square, SE1</td>
<td>40,049</td>
<td>Aviva Investors (Igloo)</td>
<td>TIAA Henderson Real Estate</td>
<td>16.20</td>
</tr>
<tr>
<td>6 Pages Walk, SE1</td>
<td>34,857</td>
<td>Private Vendor</td>
<td>Private Investor</td>
<td>14.00</td>
</tr>
<tr>
<td>Asra House, 1 Long Lane, SE1</td>
<td>23,781</td>
<td>Asra Housing Group</td>
<td>Columbia Threadneedle Investments</td>
<td>12.20</td>
</tr>
<tr>
<td>32 Southwark Bridge Road, SE1</td>
<td>21,784</td>
<td>Esquisys</td>
<td>Columbia Threadneedle Investments</td>
<td>10.20</td>
</tr>
<tr>
<td>Soho Wharf, Clink Street, SE1</td>
<td>19,098</td>
<td>Private Vendor</td>
<td>CBRE Global Investors</td>
<td>10.00</td>
</tr>
<tr>
<td>5-13 Trinity Street, SE1</td>
<td>5,558</td>
<td>Private Vendor</td>
<td>Marchmont</td>
<td>3.32</td>
</tr>
<tr>
<td>Bank Chambers, 1-5 Wandsworth</td>
<td>5,947</td>
<td>The Big Issue Founda</td>
<td>Private Investor</td>
<td>3.25</td>
</tr>
<tr>
<td>81 Black Prince Road, SE1</td>
<td>9,752</td>
<td>Telford Homes</td>
<td>New Economics Foundation</td>
<td>3.20</td>
</tr>
<tr>
<td>3 Jonathan Street, SE1</td>
<td>5,000</td>
<td>New Economics Founda</td>
<td>Telford Homes</td>
<td>3.20</td>
</tr>
</tbody>
</table>

Source: Union Street Partners
At the close of the 1st Quarter 2015, South Bank Investment turnover reached £169m. This is in line with the eight-year quarterly average of £187m, and is only marginally (3%) below the 4th Quarter 2014 turnover, of £174m. South Bank is therefore benefiting from strong Investor demand and we have increasingly seen activity becoming more widespread across South Bank, so not just focused in the more established SE1 postcode.

During the 1st Quarter 2015, 21% of the volume transacted, was in the Vauxhall and Nine Elms districts, which is representative of the growing interest these emerging locations. A notable transaction in this locality, was Workspace Group’s acquisition of Edinburgh House, 170 Kennington Lane, SE11, for £25.3m. The property is let to the Metropolitan Police Authority for a term certain of five years. The price reflects a net initial yield of 5.2% for a 76 year leasehold interest.

Purchasers in South Bank have been typically UK based, with UK Institutions (51%) and UK Property Companies (22%) being the most active during 1st Quarter. Columbia Threadneedle Investments illustrated this with three acquisitions across South Bank totalling approximately £70m in value. The largest being the purchase of Tower Bridge Piazza, Shad Thames, SE1, for £48m reflecting a capital value of £606 psf. The six building complex is currently let to 30 retail, office and residential tenants off low rents and a weighted-average term of four years. It is well placed to benefit from the predicted rental growth in the South Bank and provides an interesting blend of uses, for which South Bank is synonymous.

This was the third consecutive quarter where we saw very little Overseas purchasing activity. Overseas Investors typically seek the larger lot sizes of more than £100m, which are clearly less commonplace in the South Bank compared to the other Central London markets.

During the 1st Quarter 2015 there were thirteen transactions with an average lot size of £13m, broadly in line with the £17m average seen during 2014. Again, this reflects the small scale nature of this market. This does, however, present opportunity for others, hence the UK Institutional and UK Property Company activity. We anticipate this will continue, with growing capital inflows applied to the advantage of local knowledge.

Looking ahead, we are currently engaged with an increasing number of Investors who are eager to gain exposure to this market. This is a strong reflection of the profile that South Bank offers, ahead of the other Central London Markets. This is logical bearing in mind, it is still the most under developed Central London Market.
RETAIL & LEISURE

WATERLOO’S RETAIL AND LEISURE OFFERING WILL IMPROVE SUBSTANTIALLY WITH PROPOSED CONSENTS

The retail offer in and around Waterloo has historically been fairly poor. The Cut, SE1, with attractions including the Old and Young Vic, is Waterloo’s main pitch along with Waterloo Road, SE1, outside the station itself. Retail is unsurprisingly geared mainly to convenience food and restaurants with both Sainsbury’s and Marks & Spencer having representation on Waterloo Road, and Costa Coffee and Pret a Manger on the Cut.

It should improve with retail space forming part of the various mixed-use consents that are in place to redevelop some of the main outdated office buildings in the area. This will undoubtedly help with pedestrian flow of the area. The redevelopment of the Shell Centre, SE1, potentially due in 2018 is an eight building scheme and will deliver a total of 65,000 sq ft of retail on the ground floor across all eight buildings. Elizabeth House, SE1, will deliver a further 16,000 sq ft, potentially by 2018. Whilst this is no addition to retail stock, it will replace what are currently very tired and unappealing units.

Elsewhere, as with the South Bank generally, we are seeing increased interest from Hotel operators. A Boutique hotel is to be built on Leake Street, SE1, and a Marlin apart-hotel is to be built on Westminster Bridge Road, SE1, 7,000 sq ft of which will be for restaurant and retail use on the ground floor. Similarly in the 1st Quarter, the PPHE Hotel Group (operators of The Park Plaza and art’otels) received planning consent to convert Hercules House, SE1, into a 438 room hotel and will include a swimming pool, spa, restaurant and bar on completion. The building, best known as the former headquarters of the Central Office of Information is situated very close to Waterloo Station and to the group’s existing hotels, Park Plaza Westminster Bridge, Park Plaza County Hall and Park Plaza Riverbank, SE1. Urbanest are also developing a 1,000 room high end student hostel fronting Addlington Street, SE1.

Elsewhere, plans are in motion to redevelop a series of arches adjacent to Leake Street, SE1, located under the rail tracks leading into Waterloo station. The idea is for a new restaurant/bar area that will blend perfectly with Leake Street which is an iconic cultural area made famous for being a Graffiti Tolerant Zone. Adjacent is the House of Vans which opened last year, comprising some 5,000 sq ft which operates for the skate community through music, cinema and photography as well as selling clothing and shoes.

Above: From 2009-2013, the Old Vic Tunnels under Waterloo station hosted an award-winning programme of experimental art, music and film. In 2014, U.S. clothing and footwear brand Vans transformed the Old Vic Tunnels into an indoor skate park and arts venue with gallery, cinema, café and artist studios.

Above: The Shell Centre, SE1, development scheme will deliver eight New mixed-use buildings each with retail units on the ground floor, which in total will deliver 65,000 sq ft of retail

Left: Marlin’s flagship 218 room apart-hotel on Westminster Bridge Road, SE1, will feature 7,000 sq ft of retail and restaurant space on the ground floor, and is scheduled to open in 2016.

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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
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