DEVELOPMENT FOCUS

Q1 2024

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Welcome to the Q1 2024 edition of the SHW South East Development Focus.

Continued high build costs and debt finance costs have impacted prices being paid for sites, however activity remains positive in both the residential and commercial development markets for prime sites, although developers are being more selective and focussing on prime locations.

TIM HARDWICKE
Partner Head of Agency

EXECUTIVE SUMMARY

Demand for development sites with planning permission remains high due to ever increasing delays in pre-applications and planning applications being processed.

Based on the latest indices, house prices in London and the South East appear to have stabilised. However, with construction costs remaining high, this has led to downwards pressure on land values.

Interest in 'oven ready' sites remains strong with well-priced, unconsented sites also generating good demand, particularly in affluent towns.

AVERAGE NEW BUILD FLAT SALES

(£ PER SQ FT)

DEALS DONE

SOLD

Community House

Bromley

Freehold office investment opportunity.

EXCHANGED

Land at Goddard Road

Beckenham

1 acre vacant site previously used as allotment gardens with development potential.

SOLD

244-248 High Street

Croydon

Freehold retail and residential investment opportunity.

AVAILABLE

Thames View Court

Erith

Part-built residential development opportunity of 54 apartments and commercial unit.

MEET THE TEAM

Richard Plant
Partner

07850 584240
rplant@shw.co.uk

AGENCY

Richard Pillow
Director

07947 373868
rpillow@shw.co.uk

AGENCY

David Marcelline
Partner

07734 070947
dmarcelline@shw.co.uk

AGENCY

Matt Morris
Surveyor

07894 692426
mmorris@shw.co.uk

AGENCY

Alex Thomson
Graduate Surveyor

02037637572
athomson@shw.co.uk

AGENCY

EXECUTIVE SUMMARY

Consented sites, particularly for housing in affluent areas, remain in demand. Unconsented sites, if priced right, do sell.

Bank of England base rates have stabilised after easing of inflationary pressures. Domestic mortgage lenders are offering products at less than the current 5.25% base rate suggesting optimism for the future.

There has been a fall in development site sale volumes as developers slow down purchases due to onward sales slowing. We expect that if interest rates were to fall the brakes would be let off and sale volumes would increase.

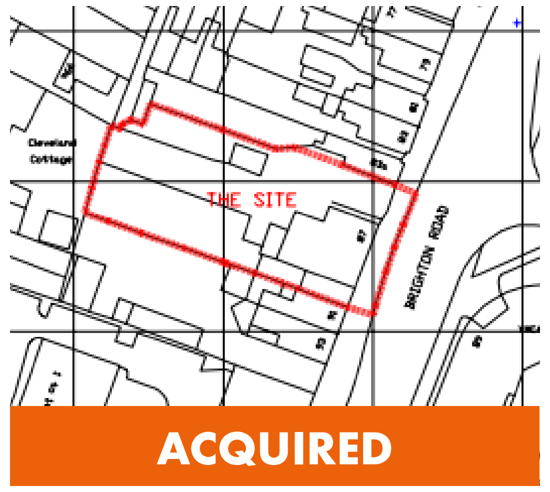
AVERAGE NEW BUILD FLAT SALES

(£ PER SQ FT)

DEALS DONE

Horley Police Station
Horley

Former Police Station with an allocation for 20 homes.



85-89 Brighton Road
Redhill

Mixed use asset with scope for redevelopment.

Land at Longhill Road
Ovingdean

Part built house plus Planning Consent to build 2 additional houses.

Chalk Pit
Eastbourne

Parcel of land with Planning Consent for 22 homes.

MEET THE TEAM

Peter Coldbreath
Partner

07850 518269
pcoldbreath@shw.co.uk

AGENCY

Harry Speed
Senior Surveyor

07714 690431
hspeed@shw.co.uk

AGENCY

Duncan Marsh
Partner

07970 524840
dmarsh@shw.co.uk

AGENCY

Ben Collins
Apprentice Surveyor

07918 823539
bcollins@Shw.co.uk

AGENCY

EXECUTIVE SUMMARY

Good demand continues for sites located in prime logistics locations and where planning for warehouse use is guaranteed. Planning risk remains an issue due to cost and time delays in order to obtain a suitable planning consent. Non-prime locations are transacting, but at much lower levels.

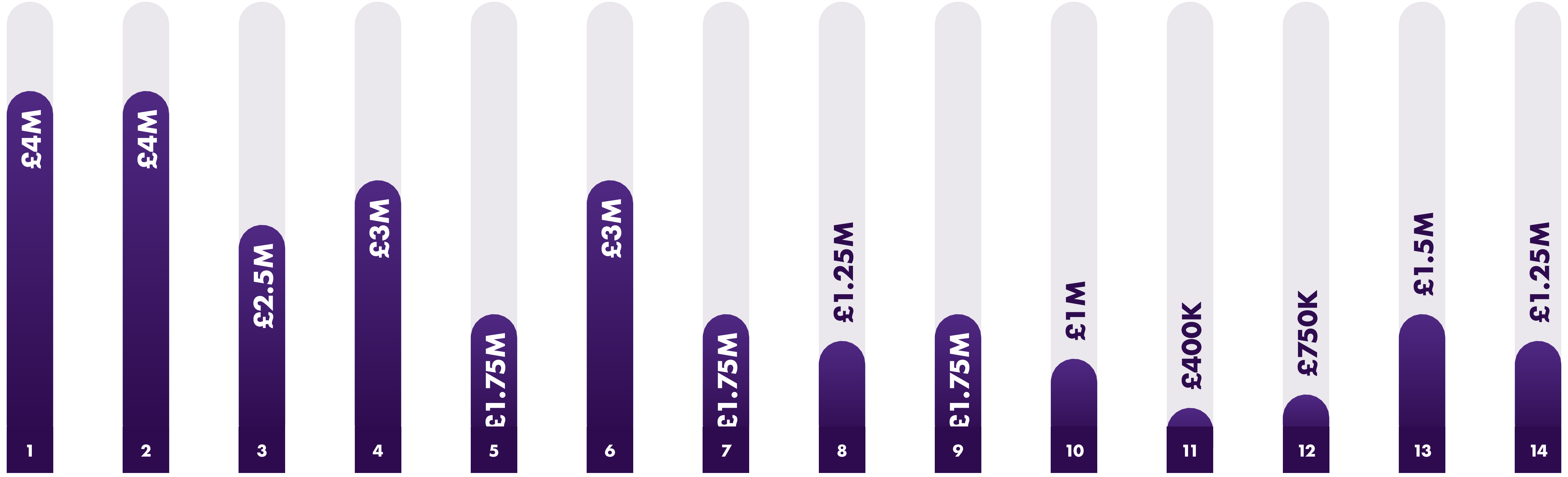
The majority of occupier interest (over 80%) is from storage and distribution however, there is demand from manufacturing occupiers, but this is generally specialist manufacturing as the UK remains a comparatively expensive location.

Despite the slowing economy, occupier demand continues. However, because of the economic concerns, sites with restricted planning uses, or hours of use restrictions, are being discounted by developers in favour of other sites or locations.

With continued high build and debt costs, many sites have had to be re-priced in order to generate interest.

COMMERCIAL LAND SALES

(£ PER ACRE)



1 CROYDON COULSDON & MITCHAM
2 SUTTON, EPSOM, CHESSINGTON & LEATHERHEAD
3 REDHILL, REIGATE, MERSTHAM & SALFORDS
4 SYDENHAM, BECKENHAM, BROMLEY & ORPINGTON
5 BURGESS HILL & HAYWARDS HEATH
6 CRAWLEY & GATWICK
7 HORSHAM
8 BOGNOR & CHICHESTER
9 BRIGHTON & HOVE
10 EASTBOURNE, HAILSHAM & POLEGATE
11 HASTINGS, ST LEONARDS & BEXHILL
12 LEWES, NEWHAVEN & PEACEHAVEN
13 SHOREHAM & LANCING
14 WORTHING

88-235,000 sq ft

The Base
Crawley

Two new best in class warehouse units totalling 235,000 sq ft.
AVAILABLE

29-55,000 sq ft

Unity Logistics Park, Cross oak Lane
Horley

High quality development with detailed planning for two units of 29,000 sq ft & 55,000 sq ft. Units for sale or pre-let.

90,000 sq ft

Prologis Park - Phase 2, Beddington lane
Croydon

12-90,000 sq ft in 4 units. New build development.

20-257,000 sq ft

Panattoni Park
Brighton – Ready Q1 2024

Units from to 20,000
Total scheme - 270,000 sq ft

8-143,000 sq ft

Panattoni Park
Burgess Hill – Ready Q1 2024.

Units from 7,660 to 143,000 sq ft
Total Scheme – 435,000 sq ftt.

MEET THE TEAM

Tim Hardwicke
Partner

07989 420989
thardwicke@shw.co.uk

AGENCY

Alex Gale
Partner

07768 500304
agale@shw.co.uk

AGENCY

David Martin
Partner

07860 207453
dmartin@shw.co.uk

AGENCY

Duncan Marsh
Partner

07970 524840
dmarsh@shw.co.uk

AGENCY

Jeremy Good
Director

07867 606061
jgood@shw.co.uk

AGENCY

SHW BRIGHTON

Brighton

Lees House, Brighton, East Sussex.
BN1 3FE

01273 876200 | brighton@shw.co.uk

SHW EAST SUSSEX

Eastbourne

Chantry House, 22 Upperton Road, Eastbourne,
East Sussex. BN21 1BF

01323 437900 | eastsussex@shw.co.uk

SHW WEST SUSSEX COAST

Worthing

3 Liverpool Gardens, Worthing, West Sussex.
BN11 1TF

01903 229200 | westsussexcoast@shw.co.uk

SHW CRAWLEY/GATWICK

Crawley

Origin One, 108 High Street, Crawley,
West Sussex. RH10 1BD

01293 441300 | crawley@shw.co.uk

SHW HAMPSHIRE

Hampshire

Victoria House, 178-180 Fleet Road, Fleet,
Hampshire. GU51 4DA

01252 811011 | hampshire@shw.co.uk

SHW LONDON

London

14-15 Berners Street, London.
W1T 3LJ

020 7389 1500 | london@shw.co.uk

SHW SOUTH LONDON

Croydon

Corinthian House, 17 Lansdowne Road, Croydon.
CR0 2BX

020 8662 2700 | southlondon@shw.co.uk

SHW SW M25

Leatherhead

Wesley House, Bull Hill, Leatherhead, Surrey,
KT22 7AH

01372 818181 | swm25@shw.co.uk

SHW SE M25

Bromley

Imperial House, 21-25 North Street, Bromley.
BR1 1SD

020 3763 7575 | sem25@shw.co.uk