

# DEVELOPMENT FOCUS

## Q3 2025



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Welcome to the Q3 2025 edition of the SHW South East Development Focus.

Ongoing planning delays, plus a raft of additional information needed to obtain a planning consent together with debt finance costs have impacted prices being paid for sites, however activity remains positive in both the residential and commercial development markets. Developers are however being more selective and focussing on prime locations unless there is a significant upside on considering non-prime locations.



**TIM HARDWICKE**  
Partner Head of Agency



EXECUTIVE SUMMARY - LONDON & SW25

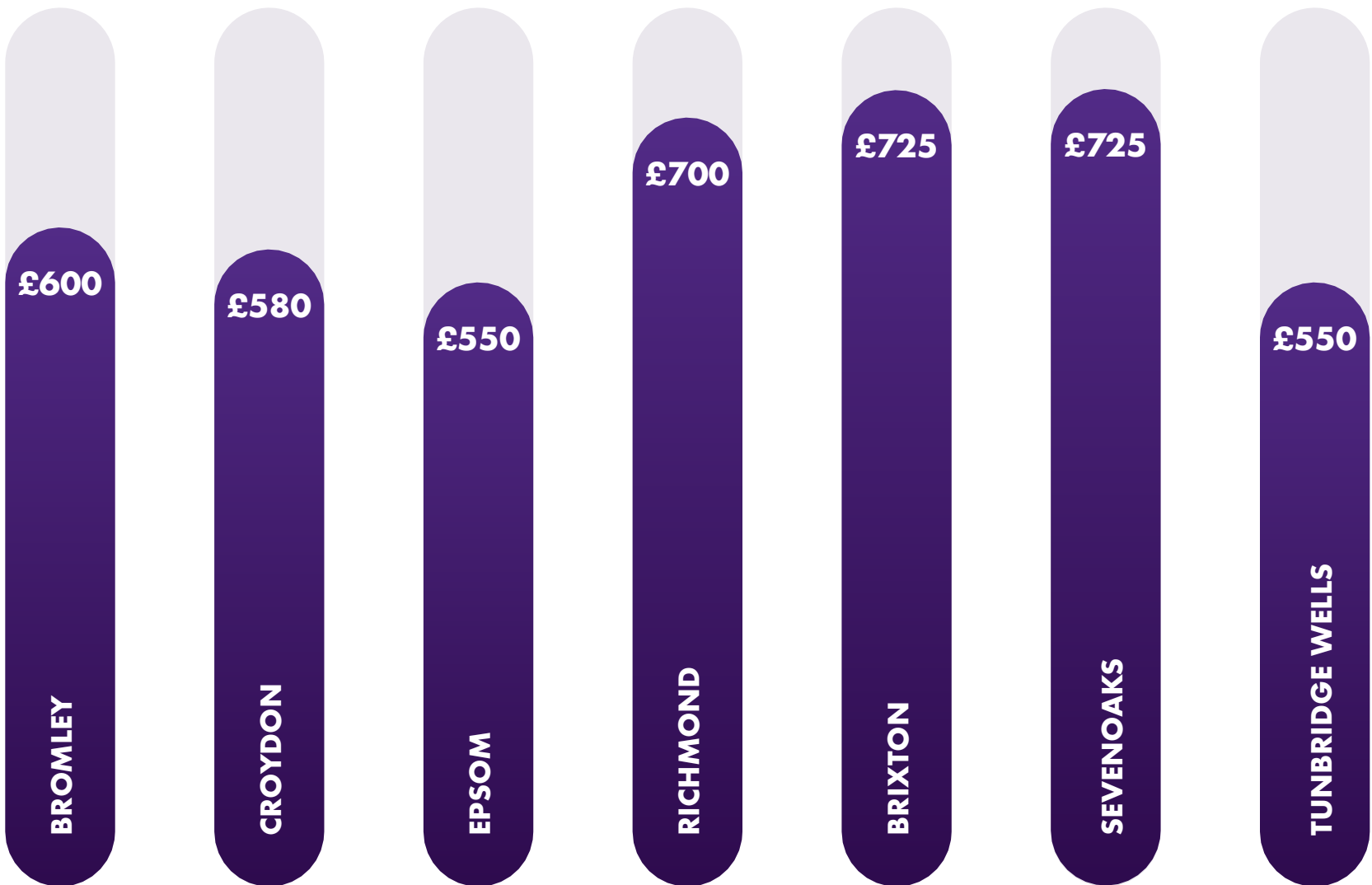
Price sensitivity continues to drive the market with overpriced opportunities not selling. Developers are preferring housing schemes over flats.

Housing associations are in need of funds to unlock sites, with G15 group of London leading housing associations reporting a 66% drop in the number of new affordable homes being built in London over the last two years.

High build costs have continued to impact activity by developers.

Appetite for strategic land has increased following recent planning policy changes, especially for grey belt sites in the South East.

AVERAGE NEW BUILD FLAT SALES  
(£ PER SQ FT)



DEALS DONE



**SOLD**

**135 Junction Road**  
Archway  
Freehold four-storey mid-terraced building comprising a former cattery with flat/ ancillary upper parts.



**SOLD**

**Former Reedham Park School**  
Purley  
Freehold former school buildings with adjoining land/ grounds.



**SOLD**

**73-77 Gloucester Road**  
Croydon  
Freehold Class E building with residential conversion potential.



**SOLD**

**Abbey House**  
South Norwood  
Vacant residential care home.

MEET THE TEAM



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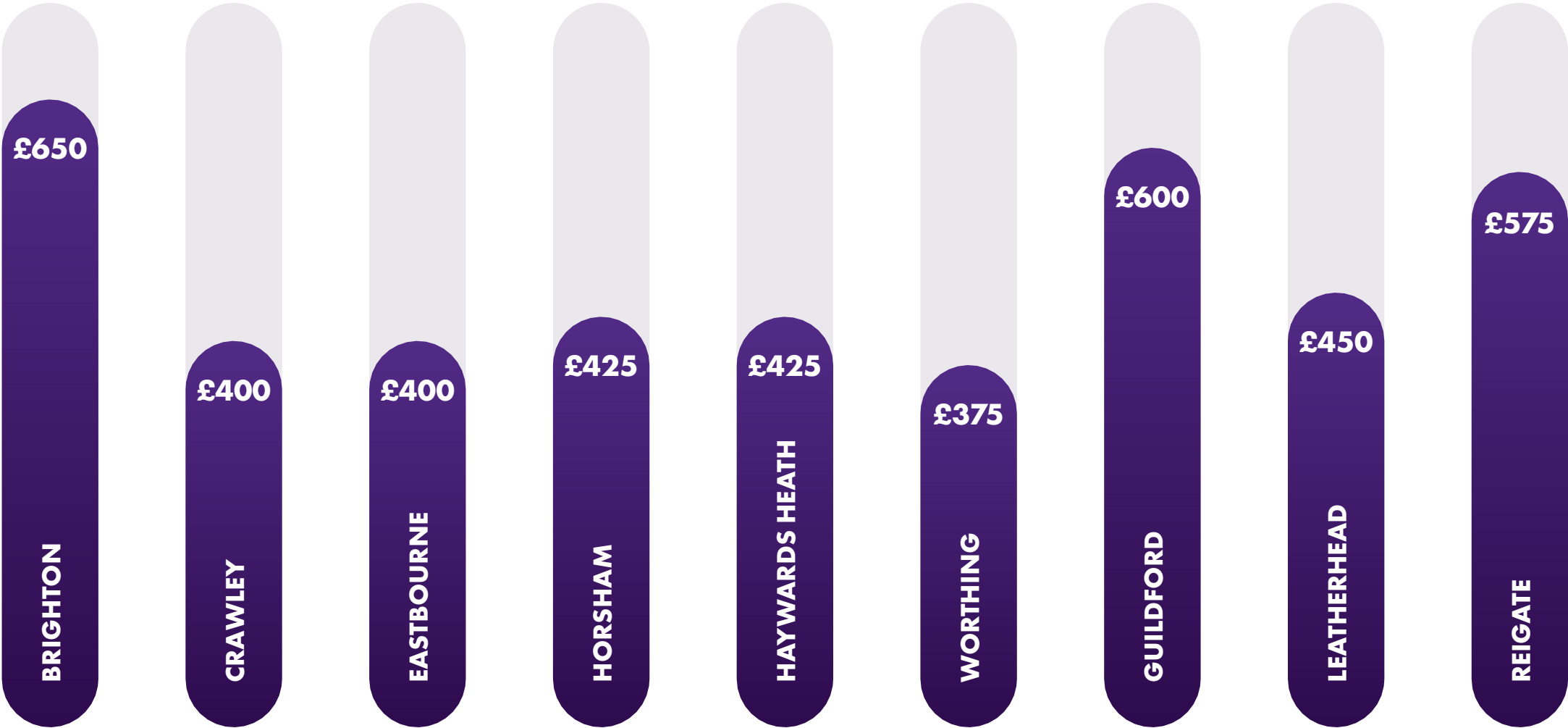


EXECUTIVE SUMMARY - SUSSEX & SURREY

Smaller sites mainly for family houses trading . Viability challenges remain especially for flatted schemes where cost side pressures remain uppermost is buyers minds. Slow sales rates and extended holding costs impact further.

House builders looking at strategic land opportunities in readiness for anticipated upswing in sentiment.

AVERAGE NEW BUILD FLAT SALES  
(£ PER SQ FT)



DEALS DONE



Goring, West Sussex  
Infill development/amenity land.



New Wharf, Shoreham  
Former warehouse premises and yard, freehold sold with Planning Consent for 64 dwellings.



Lansdowne and Downview Road, Worthing  
10 flat residential investment with refurbishment and extension potential.

MEET THE TEAM



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EXECUTIVE SUMMARY - SOUTH EAST COMMERCIAL

Good demand continues for prime logistics sites. Although prices are starting to increase from the ‘new norm / low’ price aspirations are often higher than an appraisal will justify. Non-prime sites continue to transact but at lower levels.

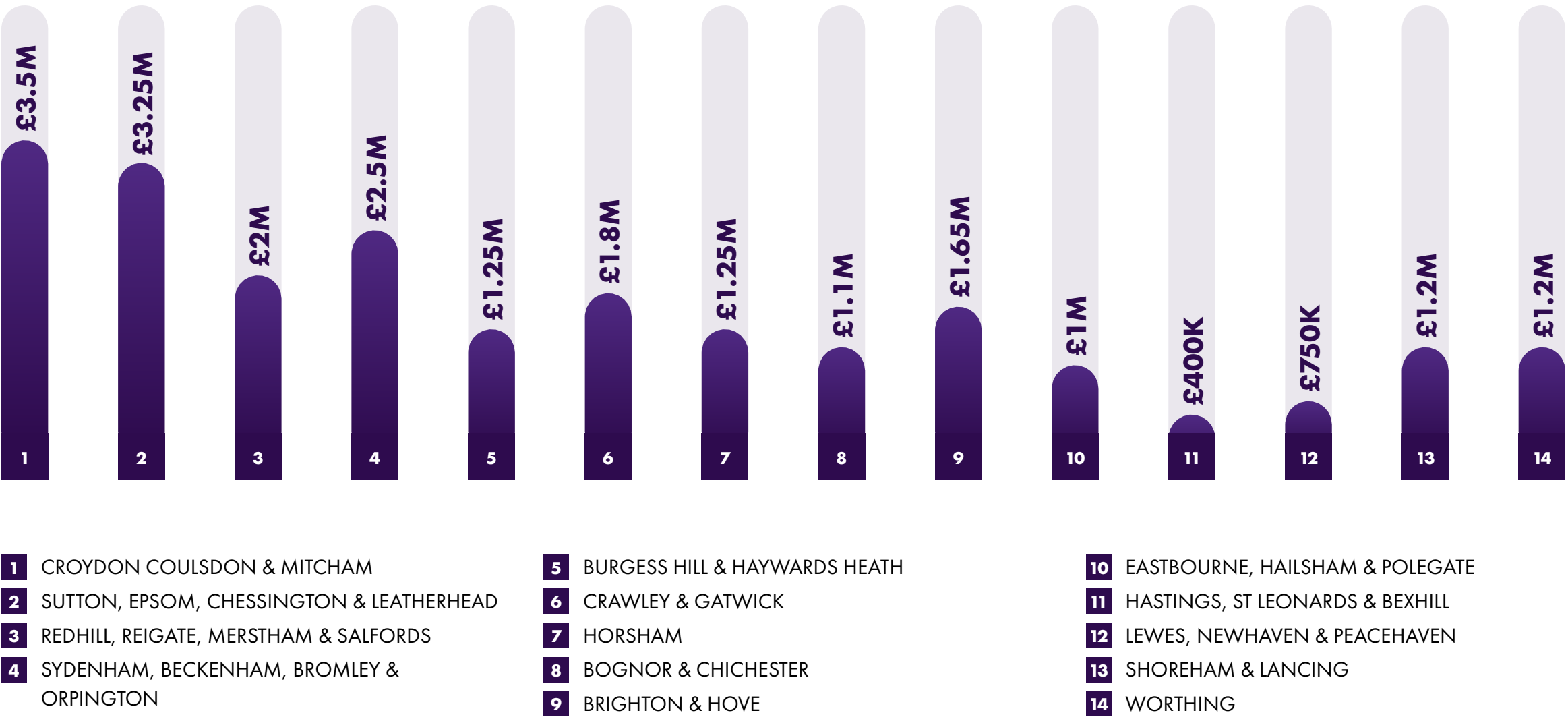
Planning risk is an issue on sites, even those with an allocation due to the increasing planning delays, increased surveys required plus red tape increasing development costs and frustrating developers with planning taking at least 12 months and often much longer to secure.

Sites with restricted planning use or trading hours restrictions are having to be discounted due to less occupier demand.

80% of occupier interest continues to be storage and distribution lead.

All schemes aiming for EPC A / BREEAM Very good or Excellent due to occupier wishes and ESG requirements becoming higher to meet their own targets and also for contracts specifying ‘Greener’ buildings’.

COMMERCIAL LAND SALES  
(£ PER ACRE)



53,000 sq ft

**Focal Point**  
Billingshurst

New units from 1,905 to 16,000 sq ft.  
(Total scheme of 53,000 sq ft)  
To Be built and ready Mid 2026).

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.

31-205,000 sq ft

**Panattoni Park**  
Bognor Regis

Site Sold to Panattoni to make way for 3 units from 31,698 – 205,000 sq ft  
Ready Mid 2026.

220,357 sq ft

**Bolney Grange Industrial Estate**  
Burgess Hill

Site with outline planning consent for 220,357 sq ft  
For Sale.

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