



A UNIQUE DEVELOPMENT OPPORTUNITY

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## OPPORTUNITY

*Planning permission for high rise development at the gateway to Vauxhall & Nine Elms*

*Site at the forefront of the Nine Elms tower cluster with stunning uninterrupted views along the River Thames*

*Opportunities to add value through an enhanced alternate scheme*

*Two towers of 140 metres & 115 metres permitted with potential to add further height & massing*

*Extant scheme contains 291 apartments including 241 private apartments ranging from the 15th to the 38th floors*

*Range of complimentary uses including 180 bed hotel, office, retail, restaurant, café & cinema*

*Scheme comprises a total net saleable floor area of approximately 423,831 sq ft (39,375 sq m)*

*Offered with estimated annual net income of between £750,000 & £1 million from lease on existing advertising hoardings*



EXTANT SCHEME CONTAINS  
291 APARTMENTS INCLUDING  
241 PRIVATE APARTMENTS  
RANGING FROM THE 15TH  
TO THE 38TH FLOORS



*Indicative view from the 34th floor (120 metres) of Tower A*

# OVERVIEW

*Vauxhall Cross benefits from planning permission for two residential towers at the forefront of the Nine Elms regeneration area, with opportunities to add value through a revised scheme*

Vauxhall Cross is located at the forefront of the Vauxhall Nine Elms Battersea (VNEB) opportunity area. The area is internationally recognised as the most significant and exciting regeneration area in Central London.

A total of approximately 18,000 new homes, 25,000 new jobs, new schools, parks and culture hubs are planned for the area, making it the largest private led regeneration initiative in the UK.

Vauxhall Cross is exceptionally well served by public transport due to its location adjacent to Vauxhall Underground, rail and bus stations. It is designated as having a Public Transport Accessibility Level 6b (the highest possible PTAL rating).

The site benefits from an extant planning permission which provides for 291 residential apartments (including 50 affordable), a 180 bed hotel (incorporating a sky bar on the 13th floor), a winter garden on the 27th floor, three floors of offices, and further complimentary uses including a retail unit, café, restaurant, cinema, dentist, soft play area and 30 car parking spaces. In total, the extant scheme provides for a total net saleable area of 423,831 sq ft (39,375 sq m) and a total gross internal area of 627,057 sq ft (58,256 sq m).

Vauxhall Cross benefits from a full suite of necessary agreements and strategies to ensure that the extant scheme is deliverable.

The planning context has evolved since the extant permission was granted. The emerging Local Plan builds on the character area for Vauxhall set out in the Vauxhall SPD. It proposes a new town centre focused on Bondway with two-sided High Street frontage linking to a new public square to the north of the site. The Statutory Development Plan identifies an upper building height threshold of 150 metres (10 metres higher than the extant scheme) but there could be strong arguments to challenge this limitation on the Vauxhall Cross site.

PLP Architecture has produced alternate scheme options which respond to the emerging planning policy position for the site. Subject to detailed discussions with the London Borough of Lambeth, it is believed that this scheme could be welcomed by the Council. The Council itself commissioned Terry Farrell & Partners to produce an alternate scheme.



# LOCATION

Vauxhall Cross is located at the heart of London. On the south bank of the River Thames, the site is situated in the London Borough of Lambeth, close to its boundary with Wandsworth and Westminster



Battersea Park



Regeneration



Vauxhall Nine Elms



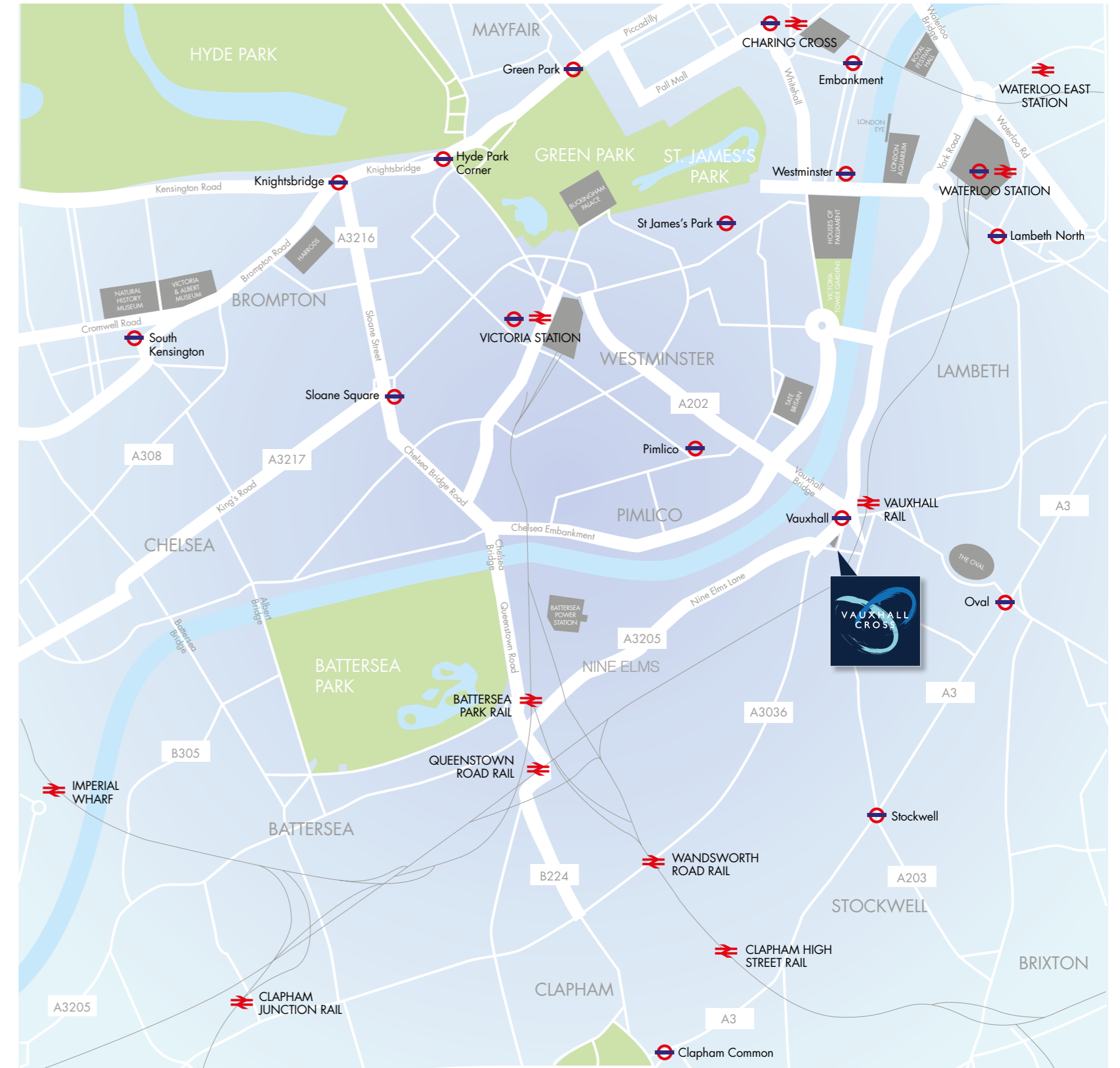
Riverside living



Transport hub



Westminster



# TRANSPORT

Vauxhall Cross lies immediately adjacent to Vauxhall – one of London’s key transport hubs, which combines mainline railway services one stop from London Waterloo with Underground and River Bus services, as well as London’s second busiest bus station



**Rail**  
Vauxhall Station is one stop (four minutes) from Waterloo Station and is on the South West Trains mainline to the South and West of the country. Clapham Junction is also four minutes journey time providing access to Southern Trains’ network.



**Underground**  
The Victoria Line connects Vauxhall directly with the West End as well as other transport hubs at Victoria, Euston and King’s Cross St Pancras.



**Bus**  
The Vauxhall Bus Station is a terminus for routes heading in all directions including Paddington, Camden, The City, Lewisham, Clapham, and Tooting.



**Road**  
The site is located outside the boundary of the Congestion Charging zone, just south of Vauxhall Bridge, one of the principal crossings over the River Thames in Central London. A series of major arterial roads radiates out from Vauxhall Bridge.



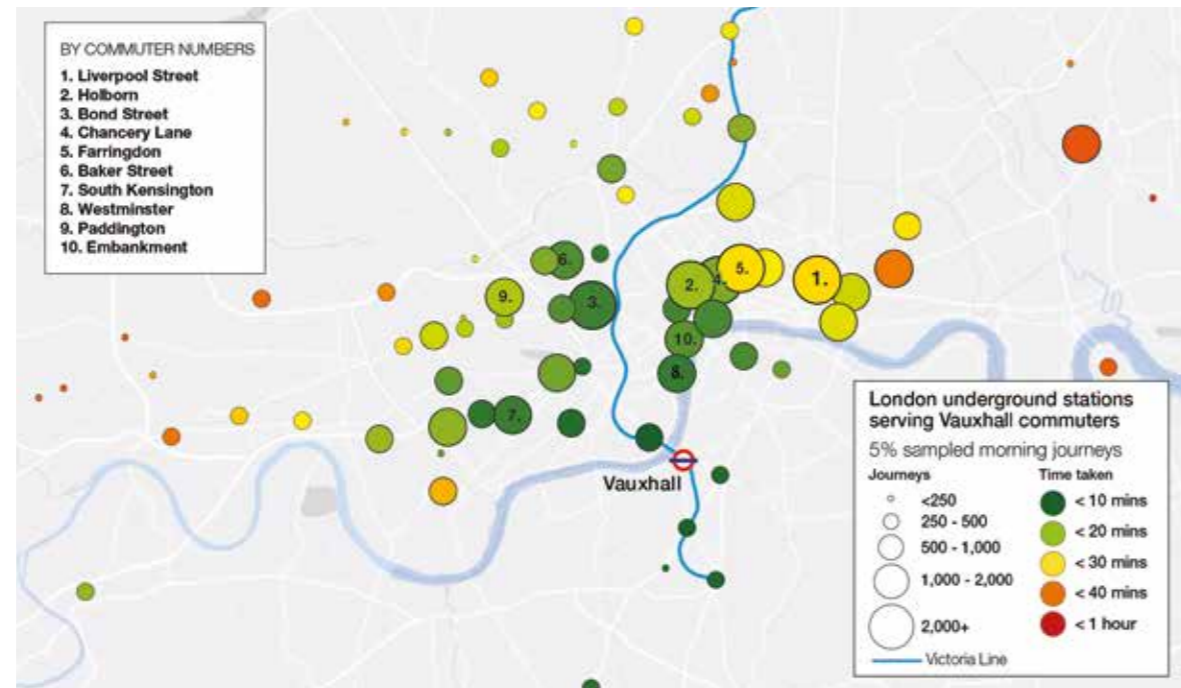
**River Bus**  
The River Bus services run from St Georges Wharf pier providing a fast and frequent service from early morning until evening between Hampton Court and Woolwich Arsenal.



**NLE**  
The Northern Line Extension will include a new ‘Nine Elms’ station located approximately 600 metres to the south west of Vauxhall Cross.



**Crossrail**  
Vauxhall will be only four Underground stops from Crossrail 1, or even less to the planned route for Crossrail 2, which is anticipated to include stops at London Victoria and Clapham Junction.



# CONNECTIONS

Whether travelling for leisure or commuting, Vauxhall benefits from a multitude of transport options with most of Central London within a 10 minute travel time



# NINE ELMS

*Nine Elms is undergoing a dramatic transformation into an ultra-modern residential and business district. It will create over 600,000 sq m of new business space supporting up to 25,000 new jobs*

Nine Elms will be anchored by a new town centre at Vauxhall Cross, a regenerated Battersea Power Station, the new United States Embassy and New Covent Garden Market – the largest fresh produce market in the country. The Masterplan will be tied together with a linear park starting at Vauxhall Cross, where a new public square will lead into Bondway – where there are aspirations for a new wide High Street with the linear Park running down its centre.

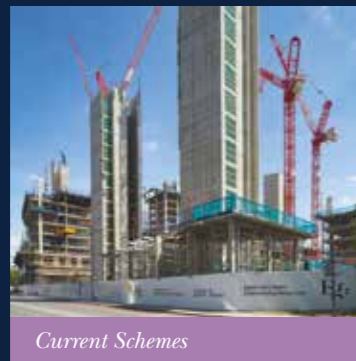
Vauxhall Gyrotory will be remodelled to create a more pedestrian friendly environment and a new pedestrian bridge across the Thames will link the area to Pimlico on the opposite bank. Nine Elms will also include almost 3km of Thames river frontage, lined with cafés, bars, restaurants, cultural attractions and public space.

US Embassy



Municipal/Infrastructure

Embassy Gardens



Current Schemes

Battersea Power Station



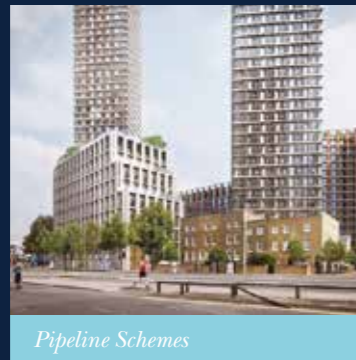
Current Schemes

Linear Park



Municipal/Infrastructure

Vauxhall Square



Pipeline Schemes

One Nine Elms



Pipeline Schemes

- MUNICIPAL/INFRASTRUCTURE
- COMPLETED SCHEMES
- CURRENT SCHEMES
- PIPELINE SCHEMES
- IN PLANNING
- PRE-PLANNING





PLANNING PERMISSION FOR  
TWO TOWERS OF 140 METRES  
& 115 METRES, WITH POTENTIAL TO  
ADD FURTHER HEIGHT & MASSING



*Indicative view from the 34th floor (120 metres) of Tower A*

# PLANNING PERMISSIONS

## Vauxhall Cross benefits from an extant planning permission for a Squire & Partners designed scheme

Vauxhall Cross lies within the jurisdiction of the London Borough of Lambeth.

The site benefits from an extant planning permission (reference number: 10/02060/FUL) granted by the Secretary of State in August 2012. A recent Section 73 permission (reference number 13/01644/VOC) has increased the scheme's efficiency. Planning conditions attached to both permissions have been amended to limit pre-commencement information to below-ground works only. The applications for the discharge of the revised conditions are being prepared for submission shortly to the London Borough of Lambeth.

Once approved, the site owner will be able lawfully to implement either the original or the Section 73 permission, safeguarding the scheme for the future.

The Section 73 scheme provides for a development of two towers with a GIA floor area totalling 627,057 sq ft (58,256 sq m).

A Section 106 Agreement was entered into in association with the original permission, and its terms will be applicable to the S73 permission should that scheme be implemented.

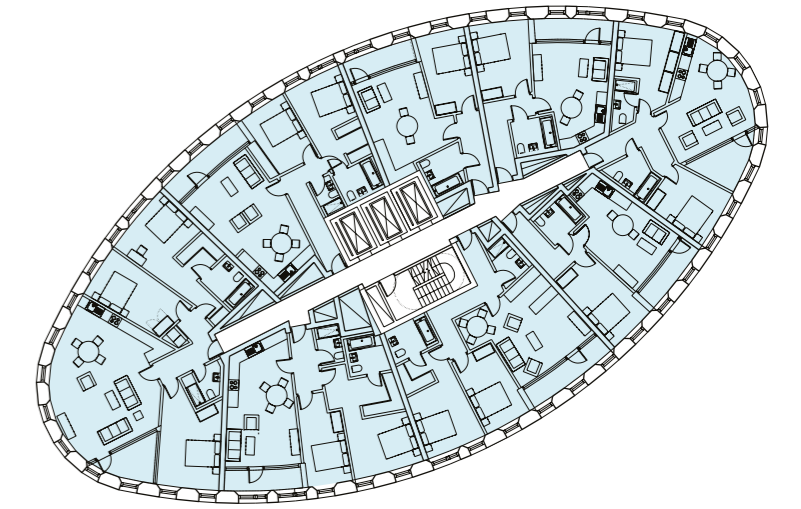
Affordable housing was subject to a viability assessment which was agreed with the Council ahead of the Public Inquiry. The assessment identified that the proposed development could support 17% affordable housing by unit number which equates to 50 residential units. It is believed that the action of permitting the Section 73 application may have accepted that the viability position has not changed and any review mechanism would therefore be benchmarked against the date of the Section 73 permission.



## S.73 Permission

TOWER	USE	FLOORS	UNITS	SQ FT (NET)	SQ FT (GIA)
<b>A / NORTH</b>	C3 - Private residential*	15 to 38	156	154,323	198,701
	C1 - Hotel	-1 to 13	180	81,731	107,382
	A3/A4 - Retail	G/1		3,907	4,402
	A1/A3/A4 - Retail	G		2,702	2,702
<b>B / SOUTH</b>	C3 - Private residential*	15 to 29	85	90,762	111,755
	C3 - Affordable	7 to 14	50	54,541	68,146
	B1 - Office	3 to 5		20,064	24,434
	D2 - Cinema	2		4,510	4,849
	D1 - Dentist	2		3,035	3,331
	Softplay	1		7,137	7,309
	A1/A3/A4 - Retail	G		1,119	1,152
	<b>ANCILLARY</b>	Winter garden	G/1/27		
	Car park	-1/-2	30		22,938
	Bicycle storage	-2	401		
	Plant	-3 to 41			61,323
<b>TOTAL</b>				<b>423,831</b>	<b>627,057</b>

## S.73 Typical floor plan

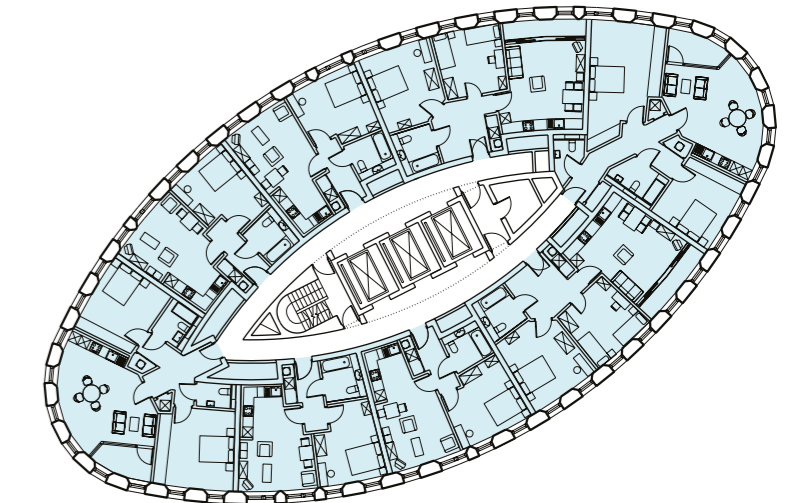


## 2012 Permission

TOWER	USE	FLOORS	UNITS	SQ FT (NET)	SQ FT (GIA)
<b>A / NORTH</b>	C3 - Private residential*	15 to 38	152	132,301	203,580
	C1 - Hotel	-1 to 13	179	74,799	97,985
	A3/A4 - Retail	G - 1		3,746	4,090
	A1/A3/A4 - Retail	G		2,325	2,368
<b>B / SOUTH</b>	C3 - Private residential*	15 to 29	89	77,980	115,584
	C3 - Affordable	7 to 14	50	50,128	68,900
	B1 - Office	3 to 5		19,504	23,272
	D2 - Cinema	2		3,864	4,607
	D1 - Dentist	2		2,777	3,068
	Softplay	1		6,684	7,083
	A1/A3/A4 - Retail	G		678	678
	<b>ANCILLARY</b>	Winter garden	G/1/27		
	Car park	-4	30		25,209
	Bicycle storage	-2	401		
	Storage cubicles	-2	30		
	Plant	-4 to 41			63,604
	Refuse	-1/G			16,846
<b>TOTAL</b>				<b>374,786</b>	<b>645,345</b>

\* Net areas include winter gardens within each flats' demise

## 2012 Permission Typical floor plan



# EXTANT SCHEME - SQUIRE & PARTNERS

The site benefits from an extant planning permission which provides for 291 residential apartments (including 50 affordable), a 180 bed hotel, three floors of offices, and further complimentary uses including a retail unit, café, restaurant, cinema, dentist, soft play area and 30 car parking spaces. In total, the extant scheme provides for a total net saleable area of 423,831 sq ft (39,375 sq m) and a total gross internal area of 627,057 sq ft (58,256 sq m)

## Foreword

The plans for Vauxhall Cross embody high quality design and sustainable development, and will radically transform and reinvigorate this area of London.

Squire and Partners have designed two slender residential towers rising from a densely planted Winter Garden at ground level. New cafés, bars, restaurants, offices and shops will surround the ground floors of the towers, and provide vibrant new public spaces.

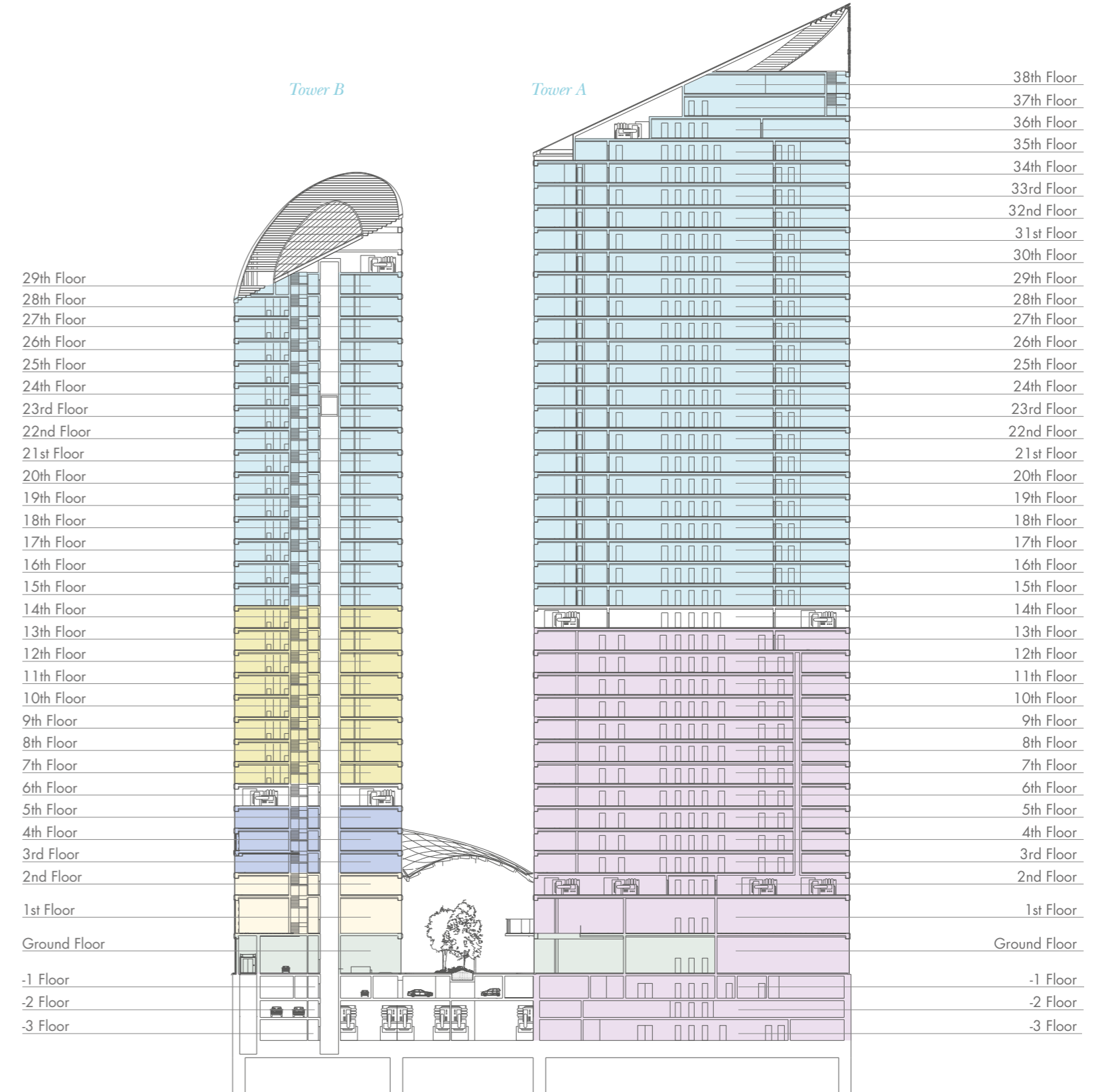
This new development will also open up the transport interchange and provide an important connection between the historic centre of Vauxhall, the river and the emerging Vauxhall, Nine Elms.

## Squire & Partners



## S. 73 Permission

TOWER	USE	FLOORS	UNITS	SQ FT (NET)	SQ FT (GIA)
A / North	Residential	15 to 38	156	154,323	198,701
	Hotel	-1 to 13	180	81,731	107,382
	Retail	G/1	2	6,609	7,104
<b>SUB-TOTAL</b>		<b>-3 TO 38</b>		<b>242,663</b>	<b>313,187</b>
B / South	Residential	15 to 29	85	90,762	111,755
	Affordable	7 to 14	50	54,541	68,146
	Office	3 to 5	-	20,064	24,434
	Community	1/2	-	14,682	15,489
	Retail	G	1	1,119	1,152
<b>SUB-TOTAL</b>		<b>-3 TO 29</b>		<b>181,351</b>	<b>221,126</b>
Ancillary					92,894
<b>TOTAL</b>				<b>423,831</b>	<b>627,057</b>



# LAMBETH'S URBAN PLAN - TERRY FARRELL & PARTNERS

*The planning context has evolved since the extant permission was granted. The emerging Local Plan builds on the character area for Vauxhall Cross set out in the Vauxhall SPD. It proposes a new town centre focused on Bondway with two-sided High Street frontage linking to a new public square to the north of the site. The Council itself commissioned Terry Farrell & Partners to produce an alternate scheme.*

## Foreword

Since designing the MI6 Headquarters building at Vauxhall Cross I have been perplexed and intrigued by this area; perplexed by the way roads and rail have carved up this strategically important part of London and intrigued by what we might do to resolve the issues and obstacles that have led to the loss of 'place' at Vauxhall

Vauxhall Cross is one of London's most significant 'lost' town centres; it was once an urban village with a bustling high street, which grew at a confluence of routes as a convenient point for trade. As recently as the 19th century this thriving neighbourhood once boasted homes, businesses, shops, schools, places of worship, parks and a railway station alongside the river, a mere 10 minutes walk from the Palace of Westminster. In short it was a 'Place'. However, traffic engineering without place-making has attracted traffic flows like a fast-flowing river washing away its banks, gradually eroding and encircling the town centre that once thrived here.

We know from experience the value that can be created by re-thinking a problematic road system, having recently implemented our proposal for Euston Circus (at the junction of Euston Road and Tottenham Court Road) which has been a major catalyst for change at British Land's development of Regents Place.

The big opportunity at the Island Site will be to re-establish the 'place' and to develop an accessible and legible public realm, is to rediscover the Town Centre at Vauxhall Cross. As an essential part of this regeneration initiative, our plans anticipate that this large and complex traffic roundabout will, in due course, be successfully dismantled to the benefit of the whole of Vauxhall. This approach has been adopted as a component part of Lambeth's planning policy for the area.

At its heart, our plan proposes the restoration of a High Street along the line of Bondway, formerly 'Bond Street', linking the Albert Embankment to the north with the newly proposed Linear Park at the centre of the emerging proposal for Nine Elms.

Our concept is for an exciting and dramatic new architectural statement building that celebrates and anticipates the new town centre at Vauxhall Cross. It will be composed of two elegant residential towers, and both will have dramatic views up and down the river as it meanders through central London.

The new building will also create an active and vibrant street environment where shops, cafés, restaurants, art galleries and businesses line the new high street and contribute to making a place which will once again be the centre of the neighbourhood.

As a key component of this rediscovered Town centre, a new public square will be created as the 'heart' of Vauxhall Cross as a focal point for pedestrians to linger and to enable easy access to shops and other cultural activities. New streets and spaces are proposed to create a much safer and more pleasant area for pedestrians and cyclists and to reconnect the town centre with the river and riverside walk once again.

In summary, we have set out a Vision for the Island Site as part of a clear strategy for the reshaping of the new town centre at Vauxhall Cross; it could be the 'jewel in the crown' of Vauxhall and therefore create a sustainable future for the area.



Sir Terry Farrell CBE



Site 13, Lambeth proposed Local Plan



Bondway high street viewed from the south

*The new building will create an active and vibrant street environment where shops, cafés, restaurants, art galleries and businesses line the new high street creating a place that will be the centre of the neighbourhood.*

*Our concept is for an exciting and dramatic new architectural statement building that celebrates and anticipates the new town centre at Vauxhall Cross.*



CGI of proposed Farrell scheme



New Vauxhall Cross public square

# ENHANCED SCHEME PROPOSALS - PLP ARCHITECTURE

*PLP Architecture has produced alternate scheme options which respond to the emerging planning policy position for the site. Subject to detailed discussions with the London Borough of Lambeth, it is believed that these proposals could be welcomed by the Council.*

## Foreword

I am very excited about the opportunities of this prominent site at the heart of London's newest community.

It is apparent to us that this site has a unique opportunity not only to contribute to the emerging cluster of tall buildings, but also to establish a true landmark, an exciting gateway into this new area of London.

The site has an important role in enabling a lively public realm around one of London's main transport hubs and will be a major contribution to the transforming skyline in this part of London.

The site occupies the northern apex of this new cluster and a tall building located there would enjoy views over Westminster Palace, the London Eye and a number of other famous London landmarks.

From a townscape perspective, we believe this location provides an opportunity to re-examine the height of the current consented scheme, especially when seen in wider context of the emerging cluster. Greater height at the northern apex of the cluster will improve the skyline composition of the cluster and create a more varied and accentuated skyline.

At ground, the site forms an important frontage in a new public realm, contributing to the creation of active, welcoming and pedestrian friendly spaces around the existing transport interchange. Public realm improvements are essential to underpin the overall benefits and success of a new major landmark building.

I believe that our concept captures the essence of the area and reflects upon the excitement and opportunities that we draw from this unique location.

Lee Polisano

The PLP scheme responds to the setting of the site, both at ground plane and at skyline. At ground the proposal creates a well-defined and active frontage around the site. At high level, two slender towers are placed into the two key corners of the site. A taller tower is located in the northern corner, while a lower tower is located in the south-west corner of the site. The towers are linked by a low-rise podium that defines the perimeter of the site.

## Scheme 1 – 'Base Scheme'

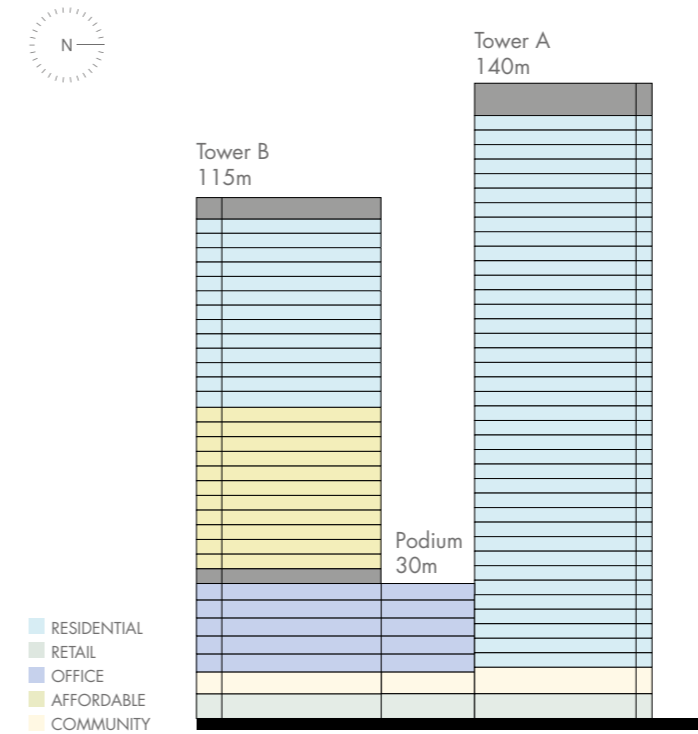
Scheme 1 stays within the maximum building heights as defined by the extant consented scheme. The mix of uses reflects the extant scheme with comparable proportions of affordable housing, commercial and community uses. The development proposals lie within the red-line ownership boundary, and the architect's brief was to produce a scheme that would have a high probability of achieving planning permission.

## Scheme 2 – 'Stretched Scheme'

The Stretched Scheme explores the possibility of increasing the height of buildings beyond the heights established by the extant scheme. The concept proposes a maximum height of 170 metres for Tower A and 140 metres for Tower B (the height of Tower A in the Base Scheme). Whilst the Statutory Development Plan identifies an upper building height threshold of 150 metres, this has been breached on a number of occasions (One Nine Elms at 200 metres, The Tower at 181 metres, New Bondway at 170 metres, and Vauxhall Square at 164 metres).

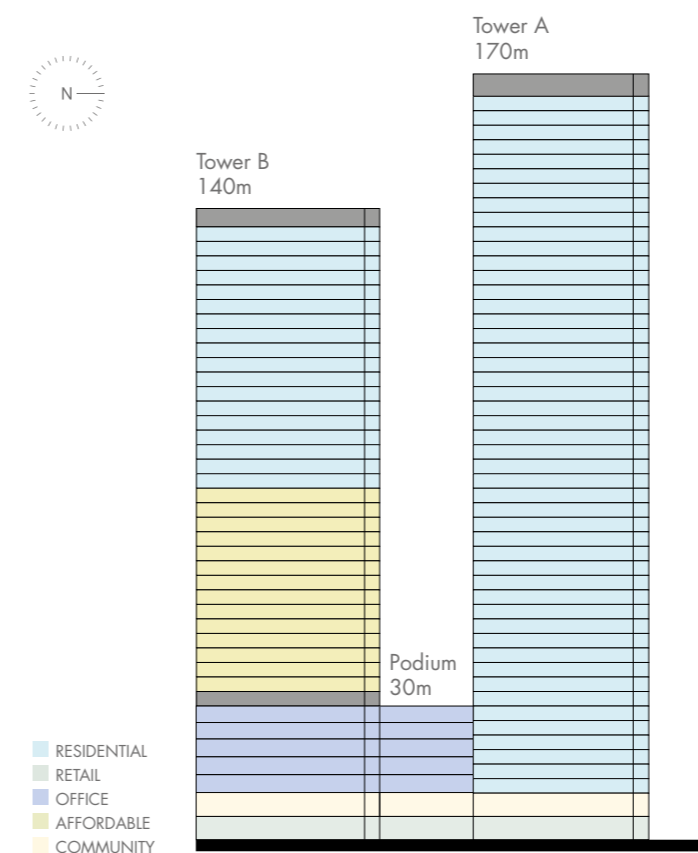


## Scheme 1 'Base Scheme'

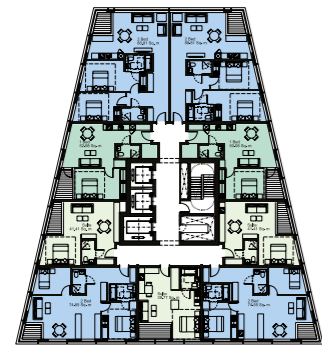


TOWER	USE	FLOORS	SQ FT (NET)	SQ FT (GIA)
A / NORTH	Residential	2 to 39	229,499	308,001
	Community	1	7,169	8,105
	Retail	G	2,153	6,781
<b>SUB-TOTAL</b>			<b>238,821</b>	<b>322,888</b>
LINK	Office	2 to 6	40,365	47,362
	Community	1	8,428	9,472
	Retail	G	2,616	6,943
<b>SUB-TOTAL</b>			<b>51,409</b>	<b>63,777</b>
B/SOUTH	Residential	19 to 31	79,761	105,369
	Affordable	8 to 18	61,215	89,158
	Office	2 to 6	31,700	40,526
	Community	1	6,749	8,105
	Retail	G	3,660	8,105
<b>SUB-TOTAL</b>			<b>183,085</b>	<b>251,264</b>
<b>TOTAL</b>			<b>473,315</b>	<b>637,928</b>

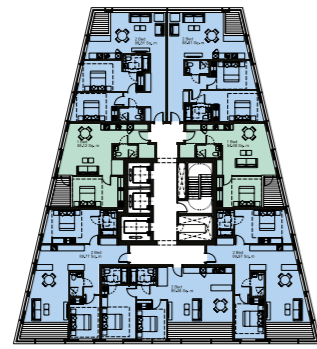
## Scheme 2 'Stretched Scheme'



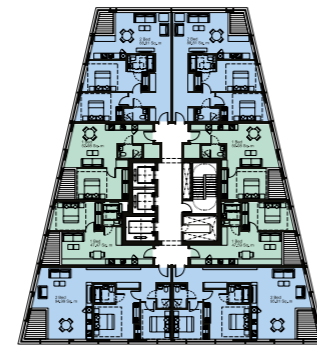
TOWER	USE	FLOORS	SQ FT (NET)	SQ FT (GIA)
A / NORTH	Residential	2 to 49	292,770	389,054
	Community	1	7,169	8,105
	Retail	G	2,153	6,781
<b>SUB-TOTAL</b>			<b>302,092</b>	<b>403,941</b>
LINK	Office	2 to 6	40,365	47,362
	Community	1	8,428	9,472
	Retail	G	2,616	6,943
<b>SUB-TOTAL</b>			<b>51,409</b>	<b>63,777</b>
B/SOUTH	Residential	22 to 39	109,857	145,895
	Affordable	8 to 21	77,910	113,474
	Office	2 to 6	31,700	40,526
	Community	1	6,749	8,105
	Retail	G	3,660	8,105
<b>SUB-TOTAL</b>			<b>229,876</b>	<b>316,106</b>
<b>TOTAL</b>			<b>583,377</b>	<b>783,824</b>



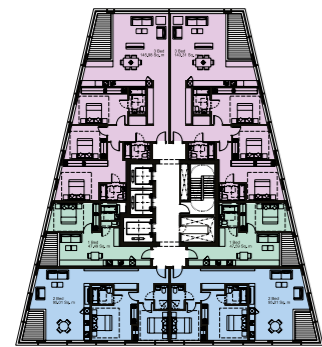
Typical Layout A



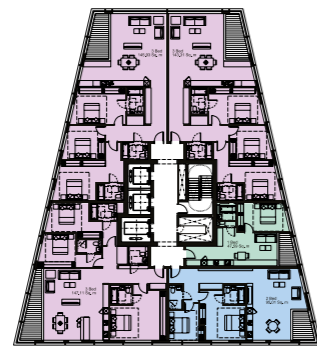
Typical Layout B



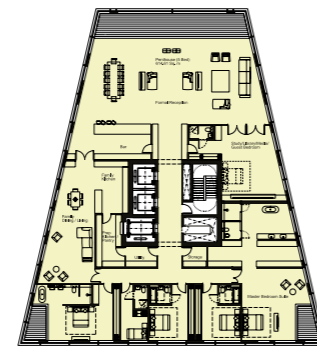
Typical Layout C



Typical Layout D



Typical Layout E



Typical Layout F

- STUDIO
- 1 BED
- 2 BED
- 3 BED
- PENTHOUSE

Illustrative ground floor plan



PLP scheme CGI



Emerging Cluster

Vauxhall Cross occupies the prominent northern edge of the cluster and from a townscape perspective, this location provides an opportunity to re-examine the height of the current permitted extant scheme when seen in wider the context of the emerging cluster. In key townscape views, a greater height at this northern apex could improve the reading of the cluster, creating a more varied and accentuated skyline. The alternative massing scheme explores further the

opportunity of an increased height at Vauxhall Cross. A 200 metre tall residential tower is proposed in the north corner of the site with a lower tower to the south. The second tower could provide for office use over multiple storeys. A low rise courtyarded podium links the two towers at the base and comprises of affordable residential units.

Extant scheme



Westminster Bridge 2 (LVMF 18A.2)

Scheme 1 - 'Base Scheme'



Westminster Bridge 2 (LVMF 18A.2)

Scheme 2 - 'Stretched Scheme'



Westminster Bridge 2 (LVMF 18A.2)

Scheme 3 - 'Alternative Massing'



Westminster Bridge 2 (LVMF 18A.2)



Millbank Gardens



Millbank Gardens



Millbank Gardens



Millbank Gardens

Alternative massing concept images



VAUXHALL CROSS BENEFITS FROM STUNNING UNINTERRUPTED VIEWS ALONG THE RIVER THAMES, WITH THE LOWEST PRIVATE RESIDENTIAL APARTMENT ON THE 15TH FLOOR.



*Indicative view from the 20th floor (75 metres) of Tower A*

# TECHNICAL

*Vauxhall Cross benefits from a full suite of necessary agreements and strategies to ensure that the extant scheme will be deliverable. These relate to rights of light, an implementation strategy and a deed of easement over surrounding land owned by Transport for London*

### Transport for London (TfL)

The vendor has executed an agreement with TfL to facilitate all works required on TfL owned land (private and adopted highway) by virtue of the Section 106 Agreement. A Section 278 agreement will be necessary to complete the works on adopted highways.

### Implementation

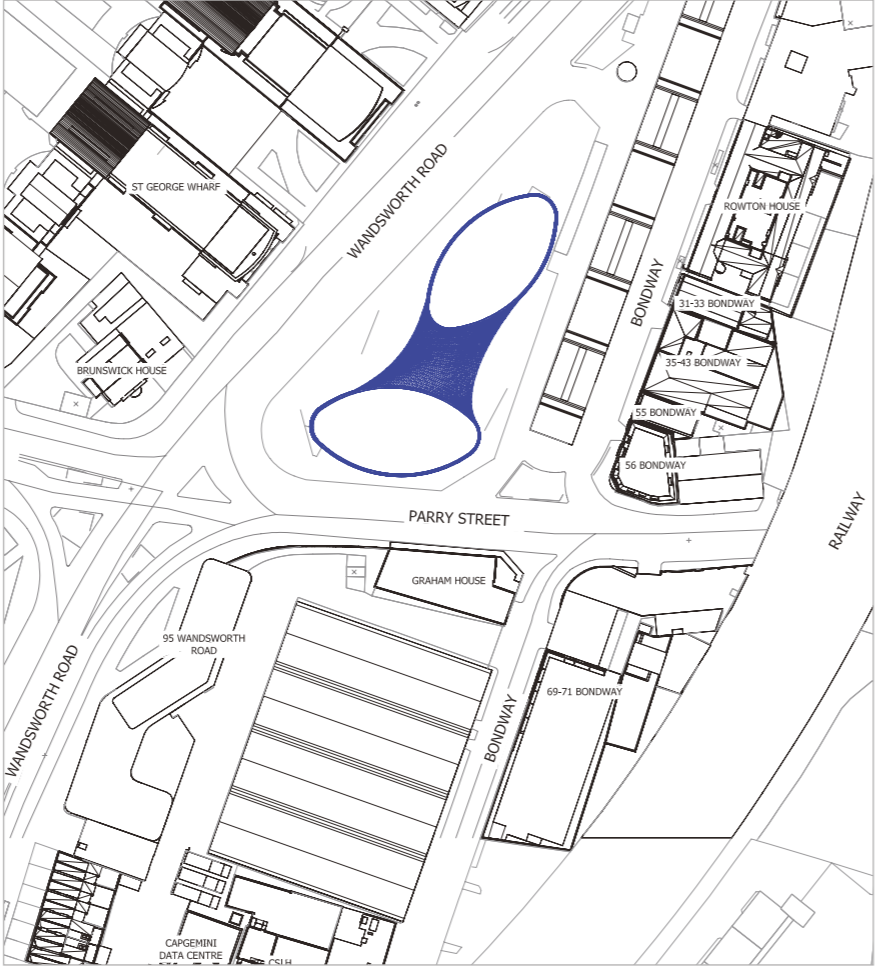
The conditions attached to the original planning permission have been amended to limit pre-commencement information to below-ground works only. These revised conditions have been incorporated into the Section 73 scheme and applications are being prepared for submission shortly to the London Borough of Lambeth. Once approved, the site owner will be able to lawfully implement the extant permission, safeguarding the planning position moving forward.

### Geotechnical

Intrusive and desktop surveys have been undertaken on contamination and archaeological issues to support discharge of pre-commencement conditions. These have not identified anything below the surface of the site which is likely to impact on the development.

### Rights of light

Gordon Ingram Associates has concluded a rights of light strategy. This will be released to shortlisted parties.





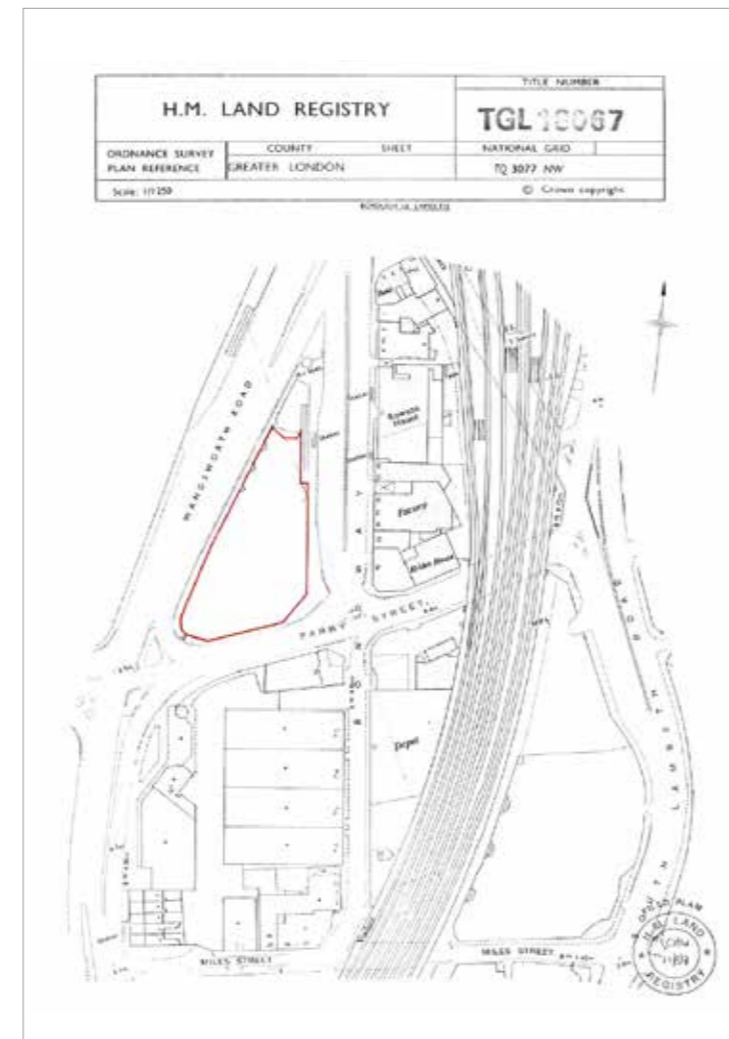
# TITLE

*The freehold interest Title Number TGL18067 is being made available for sale.*

## *Income*

The site can be made available with vacant possession at the purchaser's behest or with the benefit of the existing lease to Outdoor Plus Limited with respect to the advertising hoardings. The Outdoor Plus Limited lease will only be made available to shortlisted parties.

Vauxhall Cross is a renowned and valuable advertising pitch and it is possible that this value could be retained by designing advertising hoardings into an alternate scheme.



# LONDON GLOBAL MARKET

London is a truly international City at the heart of the global economy. As the capital of the United Kingdom and the European Union's largest city, London is a leading global centre for commerce, finance, arts, education, technology, media, research and tourism.

London is regarded as having some of the most desirable residential addresses in the world. London's One Hyde Park houses the most expensive apartment in the world.

There are some 300 languages spoken in London, more than any other city in the world, reflecting London's position as the global capital of the world.



The city is richly steeped in history and culture, dating back to its foundation over 2,000 years ago in Roman times. London is home to four UNESCO world heritage sites and over 150 ancient monuments.

The wider UK property market is bolstered by a combination of stable government, secure legal framework, long leases and efficient regulation, which have created one of the most liquid, transparent and sophisticated markets worldwide. The security that the market offers in global terms has resulted in prime Central London property recently attracting unprecedented levels of interest from all around the globe. London is, therefore, unsurprisingly widely regarded as the 'gold bullion' of international property markets.

London is home to some 300 theatres, 500 cinemas, 12,000 restaurants and 170 museums. There are more than 17,000 music performances and 250 festivals that take place in London every year. This unrivalled cultural offering, in addition to the prestigious retail provision in the West End, ensures that London retains its position as the world's most popular destination for international travellers, with an estimated 16 million in 2013.

London has established itself as the world's largest and most influential financial centre, being home to over 250 foreign banks, more than any other city, as well as being the largest centre for foreign exchange trading and cross-border bank lending. It is also home to the headquarters of more than 100 of Europe's 500 largest companies.



London boasts a world-class education system and is home to 43 universities, the largest concentration of higher education institutions in Europe.

The unique advantage of London's central time zone in a global context allows it to do business with Shanghai, Tokyo and Beijing, as well as New York and Los Angeles, all in the same working day.



# RESIDENTIAL MARKET COMMENTARY

*Vauxhall sits at the heart of Nine Elms, a 195 hectare riverside district, described as “possibly the most important regeneration story in London and in the UK over the next 20 years” by Boris Johnson*

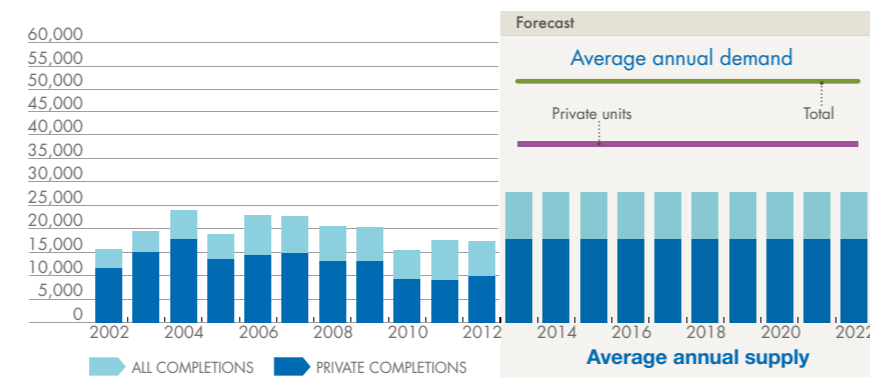
## Supply

There is annual demand for approximately 38,000 private sector residential units in Greater London over the next decade. The entire construction and planning pipeline for Greater London looks able to provide less than 20,000 private residential units per annum.

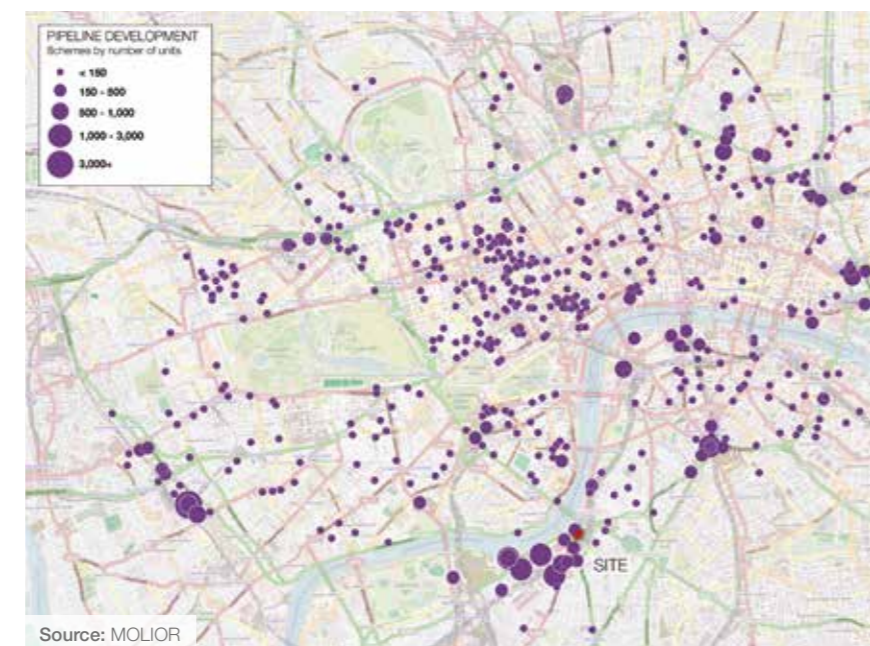
This position is replicated if we look at prime central London. We estimate there is annual demand for approximately 4,200 private sector residential units in central London over the next decade. However the prime central London construction and planning pipeline looks able to provide less than 2,000 units per annum.

Figure 2 illustrates the locations of the consented residential developments within the Zone 1 central travel area. It shows that a large proportion of the future supply pipeline is concentrated across a small number of major areas – Nine Elms, Earl’s Court and, to a lesser extent, King’s Cross, Elephant & Castle, Paddington, Aldgate and the City Road corridor. These major schemes are located on the periphery of Zone 1 with the heart of the capital likely to see a much smaller volume of new housing across Westminster, Chelsea and Mayfair. Would-be-residents of central London that are priced out of the truly prime central locations, are now able to find better value in vibrant areas like Vauxhall and the South Bank which offer superb access to the heart of London, plus river views, modern buildings and, in most cases, a more reasonable price per square foot.

*Figure 1: Greater London pipeline  
Residential development sites currently with planning permission by private unit*



*Figure 2: Supply  
Permitted residential development pipeline within Zone 1*



Source: MOLIOR

## Demand drivers

*Vauxhall offers residents quick and easy access to the main centres of wealth creation in London via the Victoria line and mainline to Waterloo*

Riverside areas are popular locations for residential and commercial occupiers alike. However many of the established riverside neighbourhoods (like Battersea, Fulham, Wandsworth, Putney, Chiswick and until the 2001 Jubilee Line extension, Southwark) are comparatively poorly served by public transport.

Using sample Oystercard data from TfL for the most common destinations for morning commuters entering Vauxhall Tube station. Liverpool Street, Holborn and Bond Street are the top three destinations with more than 2,000 commuters travelling to them from Vauxhall each morning. Using just the Tube network in rush-hour, the whole of the West End and City are accessible within 30 minutes.

The TfL PTAL scoring system measures the distance from local points to the nearest public transport stop and service frequency at those stops. As shown in Figure 3 Vauxhall scores the highest possible PTAL rating (6b) – by comparison, areas of southern Pimlico and Battersea have some of the lowest accessibility scores (2 or below).

*Figure 3: Public Transport Accessibility Levels (PTAL) - TfL public transport accessibility scoring system*



Source: TfL

## Local market performance

*Vauxhall is well positioned to be the next 'hotspot' for people seeking value as the Prime Central London and South Bank markets grow.*

The South Bank provides a good indication of how an emerging riverside area, adjacent to the prime central market, can outperform its more mature neighbour given the right mix of new housing, quality and drivers of growth. For example, a £1 million investment in South Bank property in March 2009 was worth £1.74 million at the end of January 2014 compared to £1.65 million for a prime central London property. Also total average returns in the year to January 2014 for South Bank property was 14.5%, better than the Prime Central London average return, FTSE 100 and gold.

Several factors are driving high levels of growth in South Bank, including a constrained supply of modern, high-end apartments in prime central London, the area's wider transformation as a cultural venue and business district and public transport links to financial and business centres and universities. Crucially, however, it is driven by buyers looking for better value beyond the core areas of prime central London, where price growth was particularly strong post-Lehman.

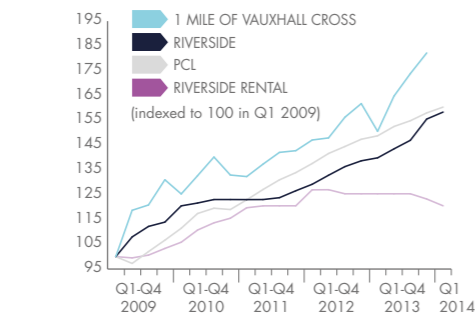
Figure 4 illustrates the distribution of average sale prices for two bed apartments across the South Bank and southern London. Vauxhall Cross clearly lies in a micro-location where, at present, the price premiums afforded by the riverside location seems yet to reach the same high levels as either the South Bank or older local developments such as St George Wharf and 9 Albert Embankment.

Figure 4: 2 bedroom sales prices in the London Boroughs of Wandsworth, Lambeth and Southwark



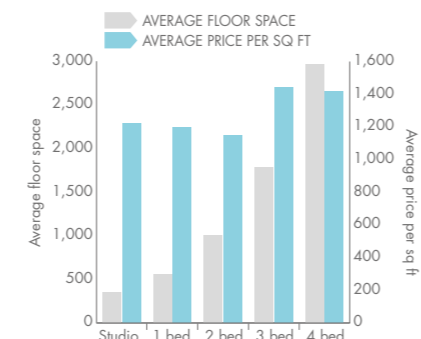
Source: Knight Frank Residential Research

Figure 5: Price performance chart



Source: Land Registry, Knight Frank Residential Research

Figure 6: Riverside pricing  
Average unit type and pricing of Riverside new homes

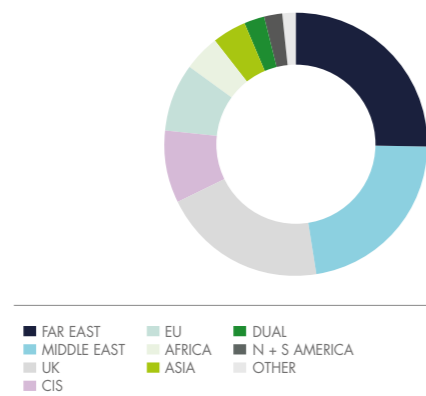


Source: Knight Frank Residential Research

## Conclusion

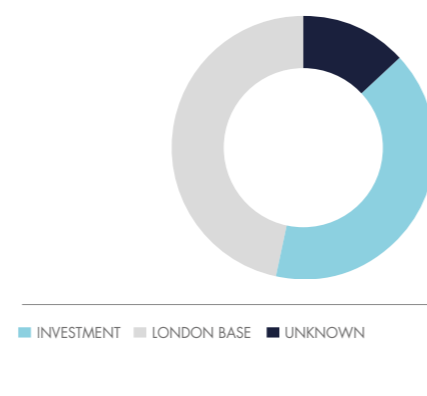
Figure 7 illustrates the profile of buyers across a number of recent Riverside schemes. UK nationals represented around 20% of all purchasers with Far Eastern and Middle Eastern buyers outnumbering domestic buyers. This highlights the international appeal of modern riverside accommodation in the centre of the capital. In terms of motivation, our data suggests around 40% of all buyers of these riverside schemes were investors, with the remaining buyers either intending to use the property as a London base or expressing no clear preference.

Figure 7: Riverside diversity  
Nationalities of buyers of Riverside new homes



Source: Knight Frank Residential Research

Figure 8: Riverside motivations  
Intentions of buyers of Riverside new homes



Source: Knight Frank Residential Research

## BENCHMARK DEVELOPMENTS

The Tower (St George's)



Developer: St George  
Architect: Broadway Malyan  
Private units: 216  
Av. sales values: £1,600+ per sq ft  
Max. height: 181 metres  
Status: Completed

The Corniche



Developer: St James Group  
Architect: Foster + Partners  
Private units: 168  
Av. sales values: £1,600+ per sq ft  
Max. height: 90 metres  
Status: Under construction

Embassy Gardens



Developer: Ballymore Group  
Architect: Fielden Clegg Bradley  
Private units: 1,548  
Av. sales values: £1,000+ per sq ft  
Max. height: 68 metres  
Status: Under construction

Riverlight



Developer: St James Group  
Architect: Rogers Stirk Harbour  
Private units: 699  
Av. sales values: £1,100+ per sq ft  
Max. height: 62 metres  
Status: Under construction

Battersea Power Station



Developer: Sime Darby / SP Setia  
Architect: Rafael Viñoly  
Private units: 2,944  
Av. sales values: £1,200+ per sq ft  
Max. height: 60 metres  
Status: Under construction

One Nine Elms



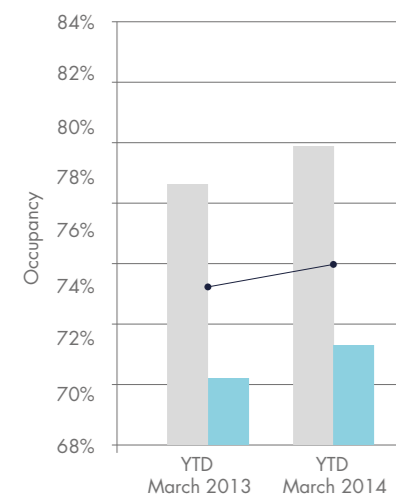
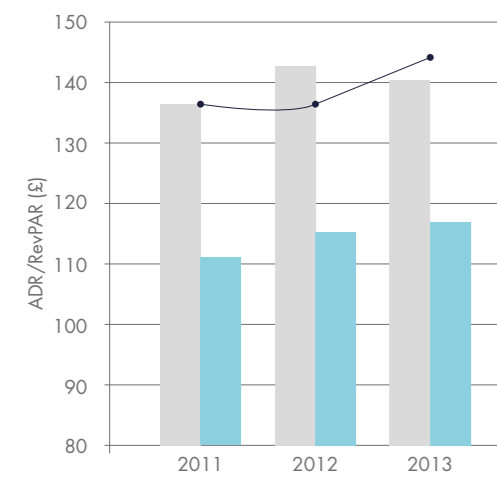
Developer: Wanda One (UK) Ltd  
Architect: Kohn Pedersen Fox  
Private units: 439  
Av. sales values: £1,600+ per sq ft  
Max. height: 200 metres  
Status: Under construction

# HOTEL MARKET COMMENTARY

## UK and London hotel performance

There is a positive annual growth in the hotels sector across the UK. Revpar (revenue per available room) consistently demonstrates year on year growth. London mirrors that sentiment and figure 1 demonstrates performance in the last three years, Q1 2014 highlighting the strength of the London market over Q1 2013 (noting that the London Olympics flattered the 2012 performance).

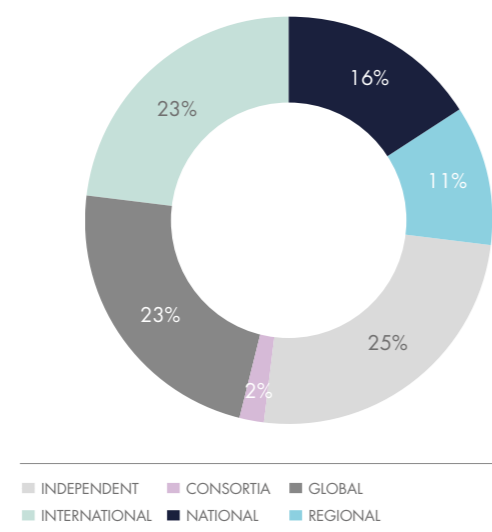
Figure 1: London Hotel Market Performance



ADR RevPAR Occ

The London market is dominated by brands and we are seeing a steady growth in customer reliance on the branding standards set by the hotel companies. The mid-market and budget hotel brands are emerging as market leaders with a sophisticated accommodation driven business concept, amounting to 50% of the construction pipeline for next year. Figure 2 highlights how London is segmented by national and international brands with only 25% from independent hotel companies. It is also of note that budget to 3 star markets dominate, comprising 57% of London's hotel offering (see figure 3). We expect that Vauxhall Cross would reflect London's more traditional West End hotel locations attracting a range of strong brands and across a wide range of classifications.

Figure 2: London Hotel Market by Branding



## London hotel investment

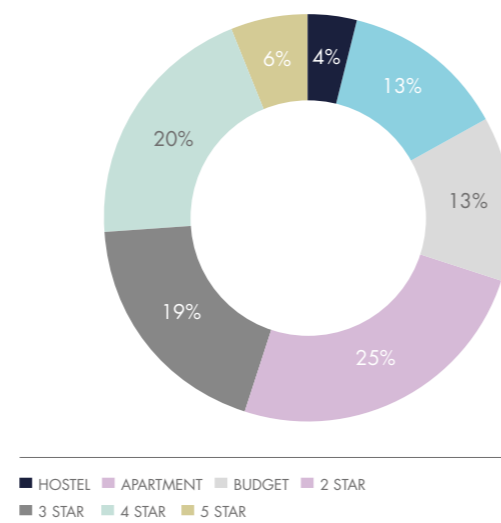
Lack of supply in the hotels sector coupled with strong demand from high net worth overseas investors and funds for the London hotel market has helped to maintain high values, and yields are forecast to compress further. Net initial yields for privately owned freehold properties can range dramatically from 2% to 5% dependent on the hotel's perceived trophy status, whilst the fixed lease income market operates in a narrower band between 4.25% to 5%, dependent on length of lease and covenant strength.

London was the preferred hotel investment market in Europe for 2013 with the total volume of sale being approximately £1.37 billion.

## The location

Vauxhall Cross and the wider Nine Elms area is a significant area of growth and regeneration that has and will continue to attract Embassies, offices, shops, restaurants and is expected to generate 25,000 permanent jobs. This scale of employment, coupled with a range of high quality residential developments will create a vibrant community in Central London. It is no surprise that Dalian Wanda is committed to a 5\* hotel commensurate with the nature of the location. Despite this and other plans, we believe Nine Elms will continue to be lacking in the supply of good quality hotel product. Vauxhall Cross is arguably the best location for a hotel in Nine Elms, being situated on an exceptionally well connected transport hub at the gateway to Nine Elms. It is also a remarkably prominent location (as evidenced by being one of the most valuable advertising pitches in London) and accordingly we envisage a flagship hotel at Vauxhall Cross. We anticipate that hotel operators will see value in being part of a residential-led development scheme and will make proposals that will be complimentary to a high quality scheme. Figure 3 illustrates the Borough's hotel sectors which are dominated by budget to 3\* offerings, which is further evidence for an upscale opportunity.

Figure 3: London Hotel Market by Sector



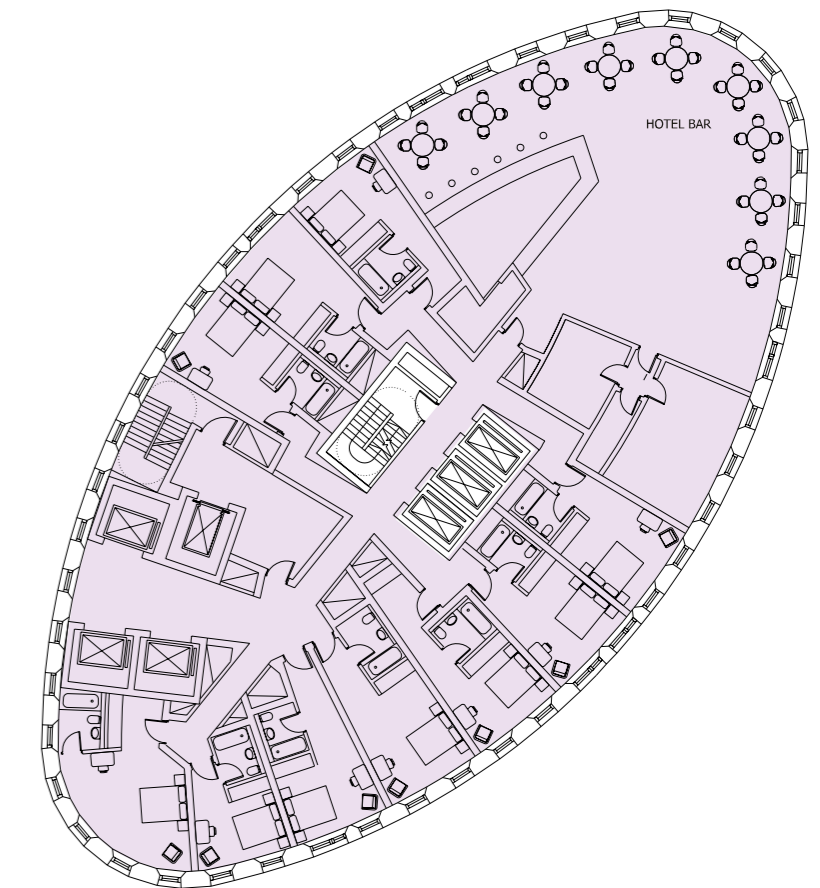
## The scheme

The permitted scheme includes a hotel up to the 13th floor of Tower 'A' (the northern tower) comprising 180 rooms over a gross internal area of 9,976 sq m (107,382 sq ft) and a net internal area of approximately 7,593 sq m (81,731 sq ft).

The hotel includes a reception area, conference and restaurant areas that occupy the ground, first and second floors with the remaining levels 3 to 13 providing accommodation. All plant and back of house support areas have been allocated within the permitted scheme. The entrance is in a covered landscaped area close to the bus station and the new Underground entrance to the north of the site. The plans include a hotel sky bar on the 13th floor (see plan).

Planned bedroom sizes average 42 sq m and, although they are befitting of an upscale hotel, we feel there is scope and flexibility (floor subdivision is indicative only) to include all brands and offerings within the hotels sector given the potential of this location.

Floor plan level 13



# VAUXHALL AND ITS HISTORY



# 1857

Vauxhall Motors began its history as 'Alex Wilson & Company' founded in 1857 at 90-92 Wandsworth Road. In 1897 it became the 'Vauxhall Ironworks Co Ltd' focused on the production of steam engines and iron works. In 1903 Vauxhall took the decision to expand into car manufacturing and of the 70 cars built in its first year, one still survives



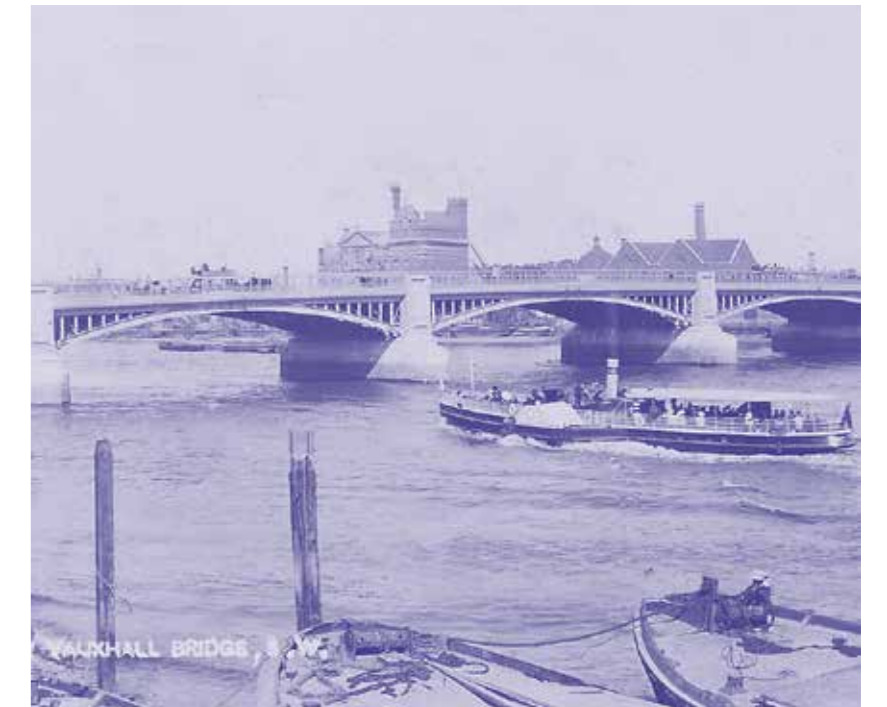
The River Effra is a mostly underground river that flows from its source in Upper Norwood to its confluence with the River Thames beside Vauxhall Bridge. Its original course was to the north of Vauxhall Cross and it has since been diverted to a new mouth beneath the headquarters of the British Secret Intelligence Service

The first Vauxhall car was built in 1903 when F. W. Hodges and J. H. Chambers produced a simple single cylinder machine which proved to be economical in use and sturdy in construction



# 1999

Vauxhall Cross has featured in several recent James Bond films. The building was depicted in the Bond films *The World Is Not Enough* (1999), and *Skyfall* (2012)



# 007



# 1994

The headquarters of the British Secret Intelligence Service (SIS) (also known as "MI6"), at Vauxhall Cross, is located at 85 Albert Embankment in Vauxhall. It is known within the intelligence community as "Legoland" and as "Babylon-on-Thames" due to its resemblance to an ancient Babylonian ziggurat



Vauxhall station was the source of the Russian word for railway station, *vokzal* (Вокзал)

Vauxhall is also the third most important advertising pitch in London



# FURTHER INFORMATION

*An extensive data room of supporting documentation can be found on the dedicated website: [www.vauxhallcross.com](http://www.vauxhallcross.com)*

To obtain a password for the website and for information relating to the sales process please contact Knight Frank LLP.



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