

**CAMBRIDGE HOUSE
1 ADDINGTON SQUARE
CAMBERWELL
LONDON SE5 0HF**



**CAMBRIDGE HOUSE
CAMBERWELL
LONDON**



**AN EXCITING OPPORTUNITY
TO ACQUIRE A LARGE SITE IN
THE HEART OF CAMBERWELL
OFFERING FLEX OFFICE
SPACE WITH ALTERNATIVE
USE POTENTIAL**

02/03

CAMBRIDGE HOUSE
CAMBERWELL
LONDON

INVESTMENT SUMMARY

- Camberwell is located in Southwark, a **pro-development London borough** with over £3 billion of inward investment to drive growth.
- The surrounding area is subject to **significant regeneration** which will provide new homes, better transport, improved amenity and create thousands of new jobs.
- Camberwell benefits from **access to three underground stations** and Denmark Hill railway station, all within one mile of Cambridge House.
- Camberwell's surging cultural scene and high economic activity rate makes it a **highly attractive business location**.
- Cambridge House comprises a collection of period and modern buildings on a **0.4 acre site providing 18,396 sq ft NIA** (27,369 sq ft GIA) of flex office space over ground and six upper floors.
- Diverse income profile with **forecasted net operating income of £409,849 per annum**.
- Significant **potential to improve the overall efficiency of the building** whilst enhancing the rental tone through accretive asset management initiatives and greater utilisation of the space.
- **Future alternative use potential** (subject to planning) with part of the property comprising five former Georgian terraced houses.
- The property is held **freehold**.

PROPOSAL

£4.5M

SUBJECT TO
CONTRACT &
EXCLUSIVE OF VAT

8.55%

ATTRACTIVE
FORECASTED
OPERATING YIELD

£245 PSF

LOW CAPITAL
VALUE

6.57%

PURCHASER'S
COSTS



04/10/25

CAMBERWELL



Camberwell College of Arts



Camberwell Green



The Phoenix Pub, Denmark Hill



Camberwell Library



Lionel Stanhope Mural, Camberwell



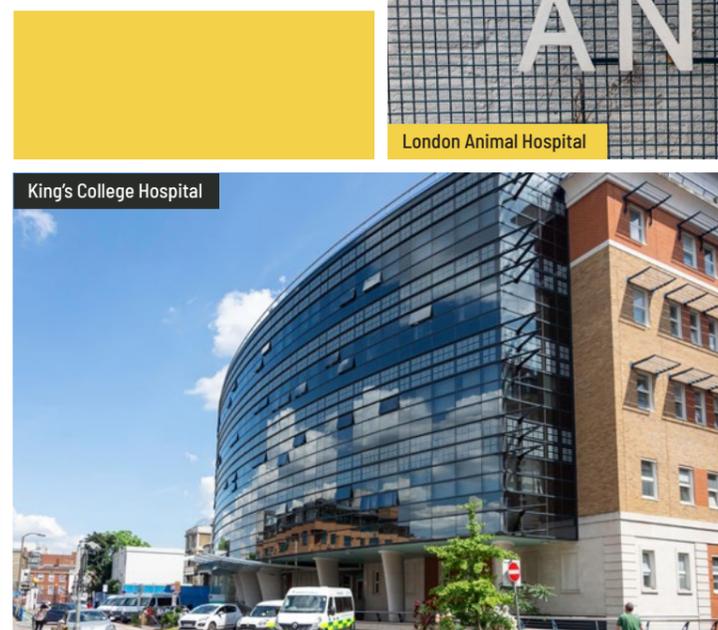
London Animal Hospital



Camberwell Bus Garage



Church Street, Camberwell



King's College Hospital



Mobike, Camberwell Green



East Street Market, Camberwell

06/07



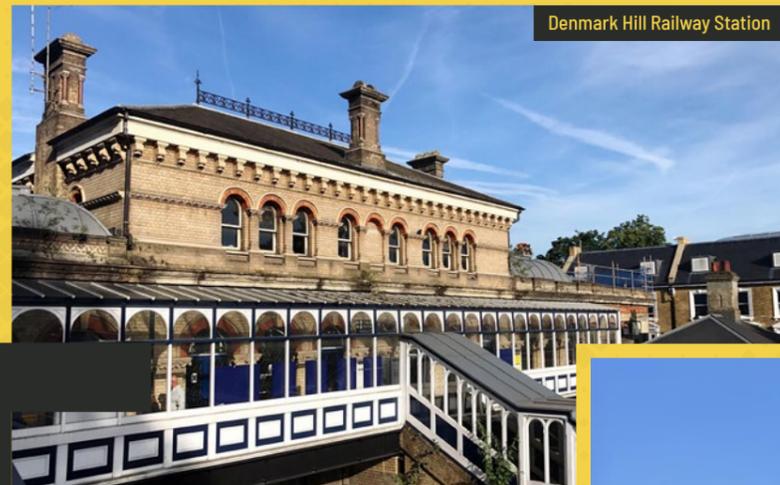
LOCAL REGENERATION

On 10 March 2020, Southwark Council was awarded £1.5 million by the Greater London Authority's Good Growth Fund. The investment was the third largest allocation in London and will be used to deliver three projects:

1. Improve the public space of Windsor Walk outside Denmark Hill railway station and Maudsley Hospital.
2. Open more space at Camberwell College of Arts to local people.
3. Improve the landscaping on Camberwell Station Road and support ArchCo's plans to open up empty arches to businesses.

This has attracted an additional £6 million of inward investment from a number of organisations including Southwark Council, ArchCo and the Department of Transport to pay for refurbishing derelict railway arches, improving the shopping environment and opening a new entrance to Denmark Hill railway station.

These improvements will encourage more cycling and walking to help tackle air pollution and unlock opportunities for new housing, workspace and improving public space in the area.



Denmark Hill Railway Station



Camberwell College of Arts

LOCAL INVESTMENT AND GROWTH

The surrounding area is undergoing significant change with over £3 billion of public and private money being invested. The investment will provide new homes, better transport and public realm, improved shopping and leisure, new schools and community centres, as well as thousands of new jobs.

The Elephant Park development by Lendlease will provide circa 3,000 new homes by 2025, as well as new public squares, a new park and a significant amount of new retail.

Cambridge House is therefore well placed to both benefit from and contribute to the changing environment and will play a role in maintaining some of the history of the area.

The proposed Bakerloo line extension from Elephant and Castle to Lewisham will improve connectivity throughout south east London

House prices in Camberwell have increased by 15% over the last two years



Elephant Park Development

10M

**CAMBRIDGE HOUSE
CAMBERWELL
LONDON**



THE CITY

CANARY WHARF

ELEPHANT PARK

AYLESBURY REGENERATION



BURGESS PARK

SITUATION

Cambridge House benefits from a prominent position on Camberwell Road, 1.5 miles south of the River Thames. Camberwell Road runs from Elephant and Castle to Denmark Hill respectively.

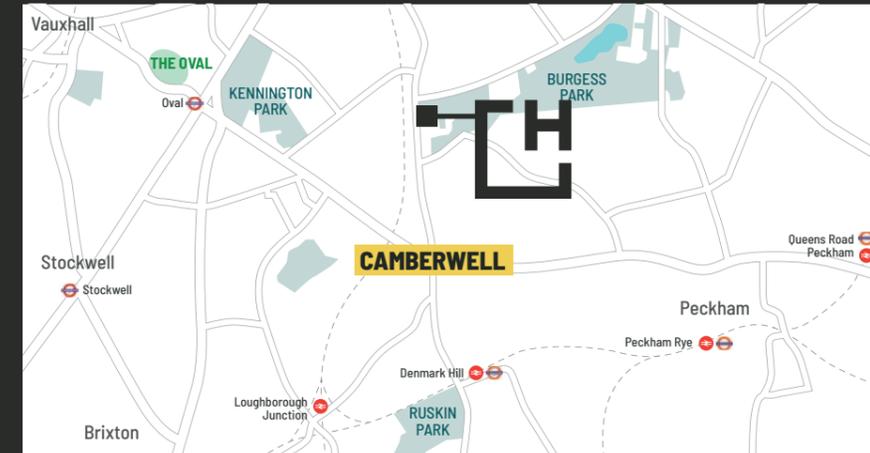
The property is situated adjacent to Burgess Park which comprises 140 acres of open space, tennis courts and other leisure facilities. The Park provides occupiers of Cambridge House with an attractive and sustainable amenity.

RAILWAY LINE

WING DEVELOPMENT

THE LIGHTHOUSE THEATRE

CAMBERWELL LIBRARY



12/13

**CAMBRIDGE HOUSE
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CAMBRIDGE HOUSE

Cambridge House comprises a collection of period and modern buildings on a large, prominent site in the heart of Camberwell fronting Camberwell Road and Addington Square.

CAMBERWELL ROAD

Fronting Camberwell Road are five former Georgian terraced houses with a more modern low-rise development located to the rear. It is a part Grade II listed building with a recent new build extension. The property comprises education facilities and office space.

ADDINGTON SQUARE

No.1 Addington Square is an 'L' shaped building comprising three storeys. Addington Square is the main entrance to the property and provides access to the more recently constructed elements to the rear. This includes a modern two storey building which wraps around a courtyard and has a flat roof.

Behind these impressive period style buildings is a recently constructed part single/part two storey building of flat roof construction with a 'living roof'. The property is interlinked and multi-functions as a nursery on the lower ground floor section with a variety of offices on the upper floors of the former Georgian houses.



FREEHOLD



0.4 ACRE SITE

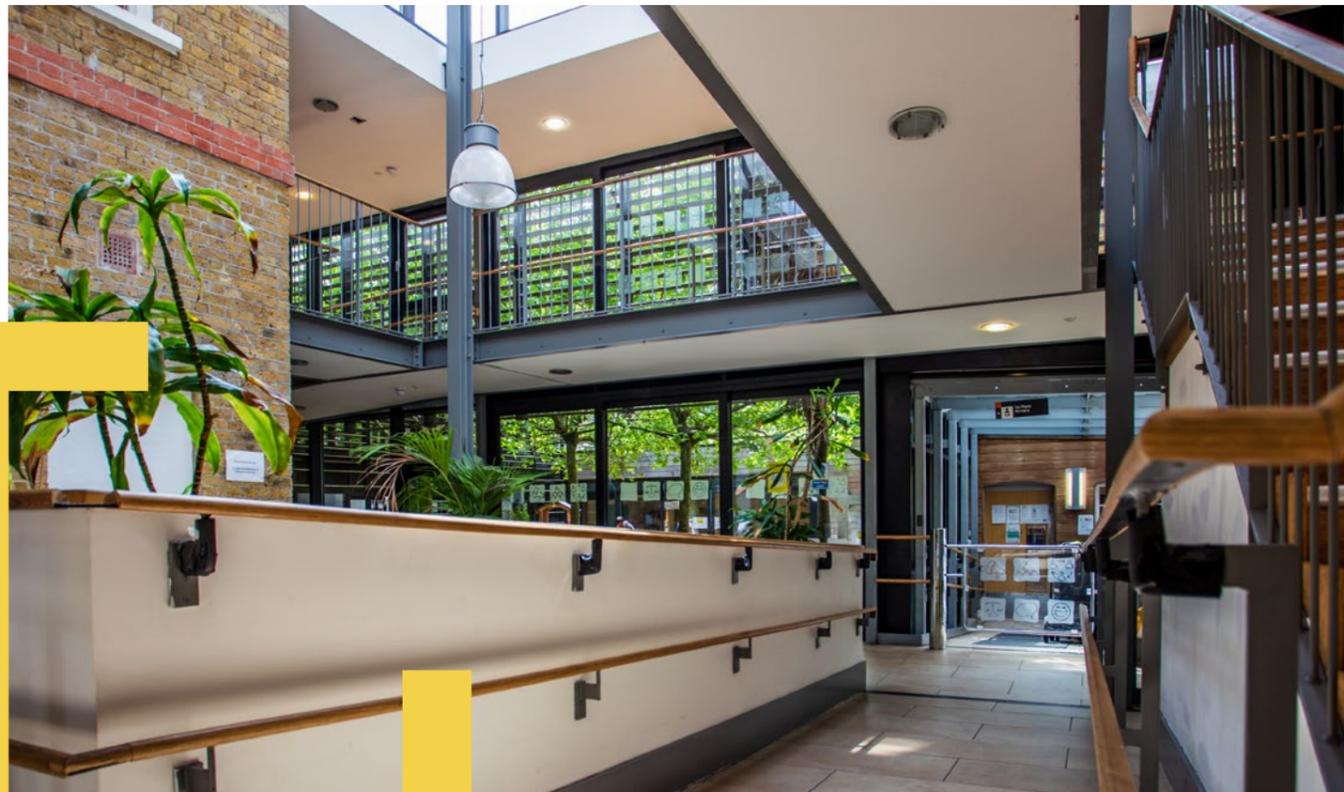


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ACCOMMODATION

The property has been measured by PRE Chartered Surveyors in accordance with the RICS Code of Measuring Practice 6th Edition (January 2018). The survey, which can be assigned to the purchaser, provides the following floor areas:

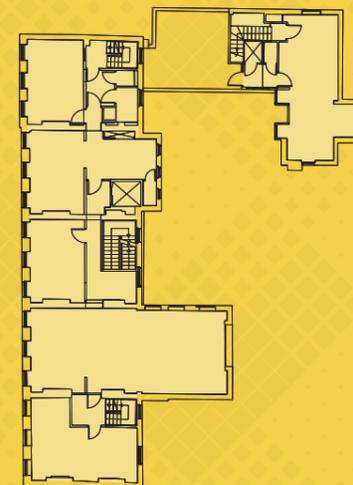
FLOOR	USE	GIA (SQ M)	GIA (SQ FT)	NIA (SQ M)	NIA (SQ FT)
Ground Reception	Reception	69.71	750	37.77	406
Ground Level 0	Office	364.96	3,928	221.82	2,338
Ground Level 1	Office	572.90	6,167	405.58	4,366
Ground	Storage	47.39	510	3.51	38
Second	Office	269.44	2,900	152.91	1,646
Third	Office	488.73	5,261	340.18	3,661
Third	Storage	4.77	51	5.00	54
Fourth	Office	310.49	3,342	246.85	2,657
Fifth	Office	224.40	2,415	169.62	1,825
Sixth	Office	189.97	2,045	125.96	1,356
Total		2,542.76	27,369	1,709.18	18,396



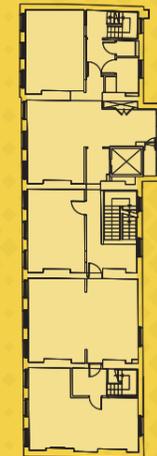
GROUND LEVEL 0 / GROUND LEVEL 1



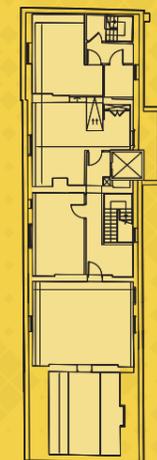
SECOND / THIRD



FOURTH



FIFTH



SIXTH



A RICH HERITAGE

Founded in 1889, Cambridge House was part of the international Settlement Movement set up to provide social services to the urban poor and campaign for social justice.

After the polarisation of classes following the industrialisation of England, groups of students and academics were found to live in 'settlements' in poverty-stricken areas. Here, it was felt, the socially-advantaged could attempt to bridge the gap between what former British Prime Minister Benjamin Disraeli termed those 'two nations between whom there is no intercourse ... the rich and the poor'.

In September 1889, Trinity Court (now Cambridge House), was set up by Trinity College, University of Cambridge as a settlement in Camberwell to support the philanthropic work of the college clergy. It was, they trusted, 'an opportunity both for doing much good to those in positions less favoured than their own, and also one for a practical study of the great Social Questions of the Day' (Trinity Court, First Annual Report, 1890).

Following its initial success, Trinity Court was re-founded as Cambridge House in 1896, whereupon the University of Cambridge re-doubled its efforts to alleviate social injustice and poverty. A further expansion came in 1972 through a merger with a women's settlement named Talbot.

Although Cambridge House's formal links with Cambridge University were dissolved in the mid-20th century, the effects of the Settlement Movement were felt across the country. Indeed, the Movement has a fair claim to having changed the face of Britain by fostering many of the architects of the welfare state, including Clement Attlee and William Beveridge who were both residents at Toynbee Hall, and the liberal politician Charles Masterman who held residency in Camberwell. Free legal service has been in operation since 1898 at Cambridge House, and one of the UK's first Adult Literacy Schemes was set up in 1963.

The legacy of Cambridge House to combat social injustice and poverty cements the part Grade II listed property's place as a pillar in Camberwell's history.

INCOME PROFILE

OVERVIEW

Cambridge House has operated as a community hub for Southwark and beyond for over 130 years, offering work and event spaces for the public as well as subsidised facilities for charities, community groups and social enterprises. The charity welcomes over 1,500 people every week and reaches over 150,000 people every year.

The building is let to multiple 'residents' on licence agreements. Current residents include 1st Place Nursery on the ground floor, Improving Health London, United Voices and Community Southwark.

NET OPERATING INCOME

Cambridge House currently occupies 41% of the building and will predominantly be vacating upon completion of the sale.

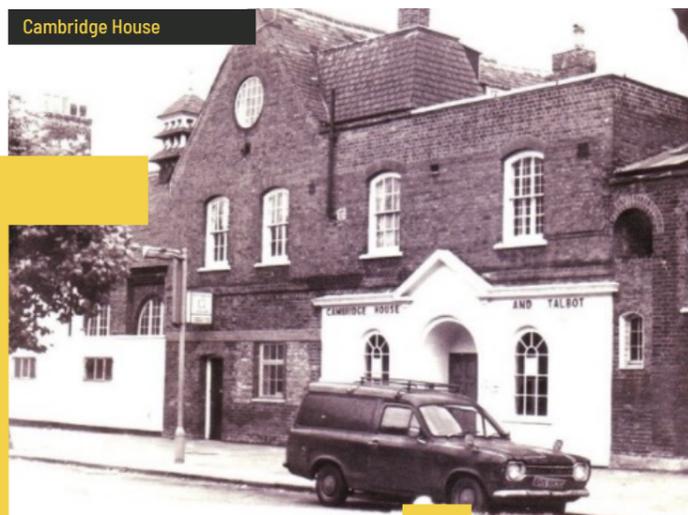
Based on current licence fees, venue hire and leasing the vacant suites and underutilised space, there is an opportunity to significantly increase the net operating income of the property.

As a charity run flex office, there is significant potential to improve the overall efficiency of the building whilst enhancing the rental tone through accretive asset management initiatives and greater utilisation of the space.

The charity occupies most of the fifth and sixth floors, creating an opportunity to improve the net operating income by capitalising on unrented office space upon Cambridge House predominantly vacating the building on completion of the sale.

Forecasted expenditure includes staff costs, building costs and business rates. The charity currently benefits from 100% rates relief but full business rates have been included in forecasted expenditure.

A schedule of current 'residents' and our calculations on the forecasted net operating income and yield is in the data room.



Cambridge House



1830 map of Addington Square

**FORECASTED INCOME
£808,977 PA**

**FORECASTED EXPENDITURE
£399,128 PA**

**FORECASTED NET
OPERATING INCOME
£409,849 PA**

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THE FUTURE IS FLEX

Real estate around the world continues to evolve. As that happens, a spectrum of flexible space options has taken shape, ranging from on-demand workspaces and coworking memberships to short-term, flexible spaces and traditional space consumed flexibly. Businesses of all sizes need a variety of space options across this spectrum and will choose the right fit for each scenario throughout their portfolio. The need for an agile portfolio with a spectrum of flexible options has only increased due to the COVID-19 pandemic.

The impact of COVID-19 on the real estate and flexible space market is significant. Not only has it dramatically changed the global real estate market, it also accelerated existing flexible space trends. The developments that initially drove the explosive growth of the flexible space market – including real estate portfolios becoming more agile, reductions in lease duration, the need for workplaces to support employee experience and engagement programs, health and well-being in the office and the amenity race within the workplace – will continue to drive demand for flexible space.

JLL predicts flexible space demand will continue to increase as a result of COVID-19, although in a different form than it took before the pandemic. In fact, we believe 30% of all office space will be consumed flexibly by 2030. While there are short, medium and long term implications of COVID-19 on the sector, the future of real estate is a spectrum of flexible spaces.

30%
OF ALL OFFICE
SPACE WILL
BE CONSUMED
FLEXIBLY BY
2030





OFFICE MARKET

UPWARD DEVELOPMENT IN THE SURROUNDING AREA

There is currently 1.3 million sq ft under construction across the southern fringe market.

The redevelopment of the Battersea Power Station and Apple's commitment to the scheme is encouraging further office development.

Quadrant and AIMCo are close to gaining consent for a 230,000 sq ft office redevelopment at the Royal Mail's former south London depot in the Nine Elms regeneration zone.

More than £150 million has been traded in development sales over the past five years, accounting for around 15% of the total office volume during that period (excluding the Battersea Power Station deal in 2019).

The Salvation Army raised capital to relocate to a new 55,000 sq ft office at the William Booth Memorial Training College campus, Denmark Hill. The building incorporates a highly contextual design with focus on wellbeing and sustainability.



William Booth College

COMPARABLE FLEX SPACE



Provider: Lenta Business Centres
Address: The Chandlery, 50 Westminster Bridge Road
Term: 12 months
Cost per desk: £425 (per month)



Provider: FORA
Address: 241 Southwark Bridge Road, Southwark
Term: 12 months
Cost per desk: £500 (per month)



Provider: The Ministry
Address: Borough Road, Elephant and Castle
Term: 12 months
Cost per desk: £750 (per month)



Provider: Hotel Elephant
Address: 5 Spare Street, Elephant and Castle
Term: 12 months
Cost per desk: £250 (per month)

RESIDENTIAL MARKET

CAMBERWELL

Camberwell benefits from a diverse range of neighbourhoods and therefore attracts a wide variety of buyers and residents.

House prices in Camberwell continue to soar. Over the course of 2020, the average house price in Camberwell was £603,726. This is a 12% increase from 2019 and a 14% increase compared to 2018.

Planning permission has recently been granted north of Burgess Park, 0.7 miles from the site, in the Aylesbury Estate for Notting Hill Genesis. The development will consist of a new build scheme with a 20 storey tower comprising over 800 units. This is Phase 1 of the Aylesbury Estate Masterplan which will deliver 2,745 private and affordable units, employment use, retail space and community uses.

Regeneration schemes such as these illustrates the investment that is being made in the local area that will support future asset performance.

ELEPHANT AND CASTLE

Located just one mile north of Cambridge House, Elephant and Castle is subject to an extensive regeneration programme with 24 projects either complete, underway or in the pipeline.

Over the past five years, almost 3,500 private residential units have been completed. There are 876 private units under construction with 663 of these purpose-built multifamily units at Lendlease's Elephant Park.

The area has become a key London rental location, with schemes such as One The Elephant and UNCLE Elephant and Castle completing in recent years. These contain a combined total of 651 rental units.

Although there are more than 2,100 private units in the planning pipeline, the final piece of the Elephant and Castle jigsaw will be Get Living's redevelopment of the shopping centre. This will include a further 649 multifamily units, adding to the area's rental prowess.

NEW BUILD RESIDENTIAL SCHEMES



Address: Wing, Camberwell Road
Distance: 0.3 miles away
Completed: Q1 2019
Average 2 bed price: £495,000 - £668,000



Address: Elmington Green, Camberwell
Distance: 0.4 miles away
Completed: Q2 2019
Average 2 bed price: £484,995 - £510,000



Address: Levers, Amelia Street
Distance: 0.8 miles away
Completed: Q4 2018
Average 2 bed price: £600,000 - £695,000



Address: Elephant Park, Elephant and Castle
Distance: 1 mile away
Completed: Q4 2018
Average 2 bed price: £832,000 - £1,028,000

INVESTMENT RATIONALE

- Cambridge House occupies a prominent 0.4 acre site in the heart of Camberwell, adjacent to the amenity rich Burgess Park.
- Southwark is pro-development London borough, with over £3 billion of inward investment to drive growth and in doing so, support future asset performance.
- Camberwell is a multicultural and vibrant centre which has witnessed rapid growth and regeneration in recent years.
- Cambridge House offers genuine alternative use potential (subject to planning) with house prices in Camberwell increasing by 15% over the last two years.
- With 30% of all office space to be consumed flexibly by 2030, Cambridge House is well-placed to service future occupier requirements.
- Opportunity to improve the overall efficiency of the building and provide greater utilisation of the space thereby increasing the net operating income.
- Reversionary potential with the average cost per desk below the prevailing rate in the locality.
- Cambridge House is located within one mile of three underground stations and Denmark Hill railway station, the latter set to benefit from Government investment which will act as a catalyst for continued regeneration in the surrounding area.



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ADDITIONAL INFORMATION

PLANNING

Cambridge House is located in the London Borough of Southwark. The site includes part Grade II listed buildings and is located in the Addington Square Conservation Area.

There is a high demand for new homes in Southwark, with the London Plan (2021) establishing a total 10-year target for 23,550 new homes in the Borough, which equates to 2,355 new homes per year. Policies H1 and GG2 of the London Plan recognise the optimisation of land as a key part of the strategy for delivering additional homes, including enabling developments on brownfield sites and the promotion of higher density development.

Overall, there is considered to be scope to provide residential floorspace within Cambridge House subject to satisfying relevant planning issues.

EPC

Cambridge House has an EPC rating of C 73.

VAT

The property is not elected for VAT.

DATA ROOM

Access to the data room is available on request.

AML

In accordance with Anti-Money Laundering (AML) Regulations, the purchaser will be required to satisfy the vendor on the source of the funds used to complete the transaction.

PROPOSAL

£4.5M

SUBJECT TO
CONTRACT &
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8.55%

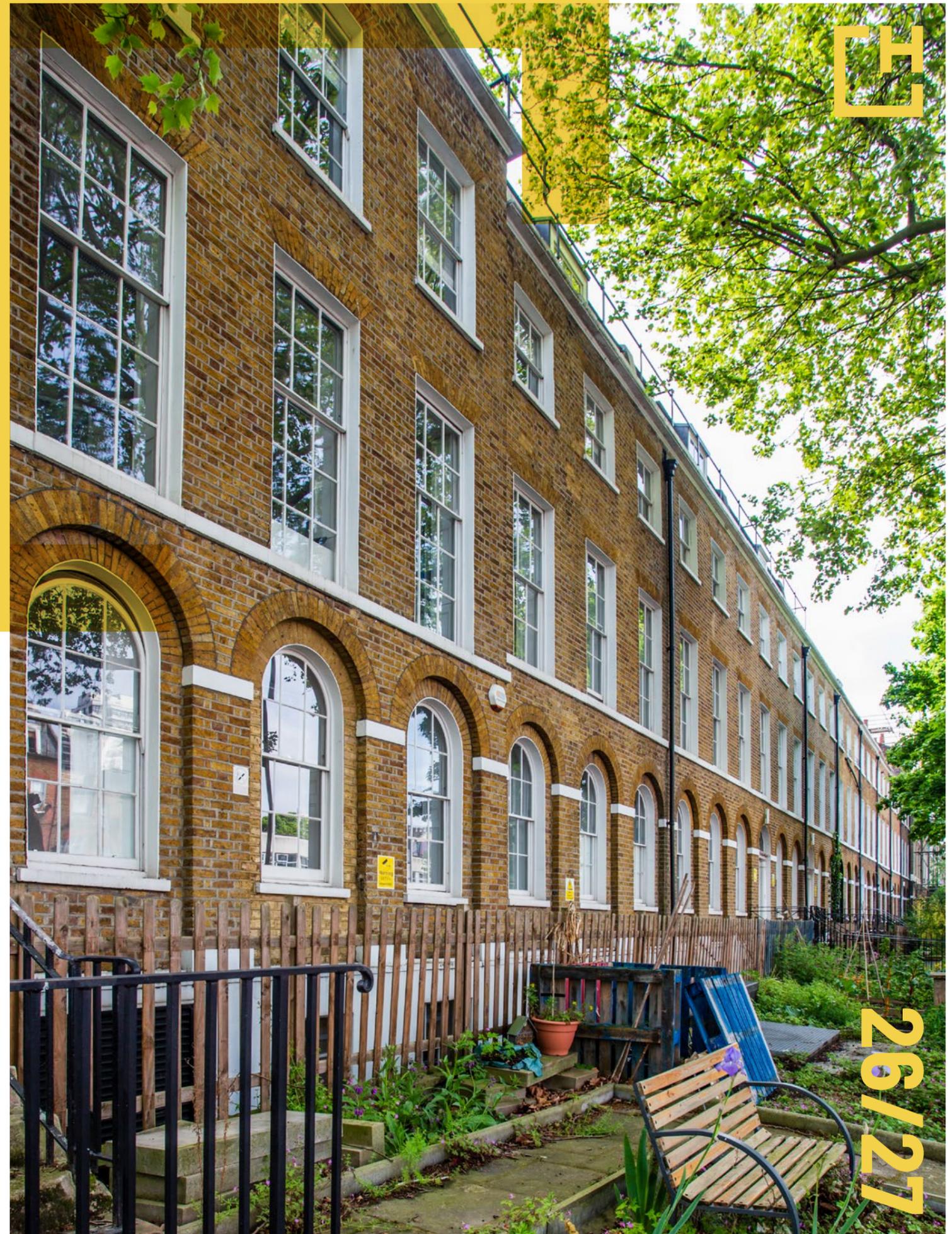
ATTRACTIVE
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£245 PSF

LOW CAPITAL
VALUE

6.57%

PURCHASER'S
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