

Case Study

Selling a surplus site, generating £43 million for reinvestment in the NHS Estate

ST GEORGE'S HOSPITAL, LONDON

Background

Site:

Land and multiple buildings on a site covering 11.7 hectares (28.9 acres)

Customers:

- Havering Clinical Commissioning Group (CCG)
- North East London Foundation Trust
- London Borough of Havering

NHSPS representatives:

- Dan Hotson, Principal Transactions Manager

The Challenge

Havering CCG announced the site surplus to requirements in 2013, with vacant possession in May 2016. NHS Property Services (NHSPS) then had to deliver the greatest value for the NHS, maximising the site's value and finding a suitable buyer. 1.6 hectares (3.95 acres) of the site was retained for a potential new health building.

The Solution

NHSPS teams carried out extensive due diligence to de-risk the site (including archaeological, ecology, energy and building survey), and then submitted a series of outline planning applications for a new health facility (up to 3000 sq.m) and for residential units to be built on the surplus part of the site.

After more than two years of negotiations with the Local Planning Authority, we secured planning permission for 290 units, including 15% affordable housing, following a successful Planning Appeal in June 2017. This significantly enhanced the value of the site, minimising the town planning risk for any prospective purchaser.

We then launched a marketing campaign with Savills in July 2017, with adverts in Estates Gazette and Property Week, and had 185 parties registering interest through the website, including all the major national and regional housebuilders. We identified a preferred bidder in December 2017 and negotiated complex legal contracts by March 2018, securing an unconditional capital receipt of £43 million.

The Result

Securing planning permission for residential units helped us to sell the site for **£43 million, which can now be reinvested into the NHS estate.**

Selling the site also meant the **NHS will save the running costs of £500,000 per annum.**