

Case Study

Selling a surplus site, generating over £8m for reinvestment in the NHS Estate

ST OLAVE'S NURSING HOME, LONDON

Background

Site:

Vacant site comprising of a former nursing home, ambulance station and temporary structures

Customers/stakeholders:

- Southwark Clinical Commissioning Group (CCG)
- London Borough of Southwark

NHSPS representatives:

- Dan Hotson, Principal Transactions Manager

The Challenge

Southwark CCG announced the site surplus to requirements in August 2013, although part of the site was occupied until 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.

The Solution

NHSPS teams carried out extensive due diligence to de-risk the site (including asbestos, environmental and topography), and then worked with architects and town planners to design a residential scheme before undertaking a series of pre-application meetings with the Local Planning Authority.

In February 2017 we were able to a positive pre-application response from the Local Planning Authority which established the principle of residential development on the site, in addition to the size and scale of the development that was proposed. This significantly increased the value of the site, minimising the town planning risk for any prospective purchaser.

We then launched a marketing campaign with JLL, with a brochure, website and a mail shot to over 2,000 property professionals. The site was bought unconditionally by Peabody (a Registered Social Landlord) for £8.3 million (over £2 million more than the original valuation), completing in March 2018.

The Result

Securing planning permission for residential units helped us to **sell the site for £8.3 million, over £2 million more than the original valuation**, which can now be reinvested into the NHS estate.

The site's development will now contribute a **significant amount of affordable housing** to the local area.