

Verney⁺ Sandgate

 MONTAGU
EVANS

**Prime Urban Logistics Led
Development Opportunity
in Bermondsey**

Verney Road & Sandgate Street
4.25 Acres (1.72 HA)

Opportunity Summary

- Rare opportunity to acquire a **prime urban logistics led development opportunity** in an ultra-urban location.
- Located in **South Bermondsey**, a key South London industrial hub.
- Prime arterial road (**A2 - Old Kent Road**) and rail (**South Bermondsey**) connections combine with wider population growth to attract last mile logistics operators.
- Close proximity to the ongoing **Elephant & Castle regeneration**, with plans for a further 5,000 homes, as well as planned developments at Canada Water and along the Old Kent Road.
- Potential Bakerloo Line extension to provide new nearby underground stations.
- **Total site area of 4.25 Acres** (1.72 Hectares), with existing floor areas of circa 110,000 Sq Ft (containing urban logistics and a single office building).
- The estate is partially let, providing a current net income of £693,985 per annum.
- Flexible lease profile with **vacant possession achievable within 24 months**.
- **Freehold**.



Verney Road & Sandgate Street presents a rare and highly sought-after opportunity to acquire a 4.25-acre freehold urban logistics-led development site in the heart of South Bermondsey, one of South London's most strategically positioned industrial hubs. Located just off the Old Kent Road (A2), this ultra-urban site benefits from exceptional connectivity to Central and South East London via arterial road and rail links, and sits within a rapidly transforming area shaped by major regeneration projects, including Elephant & Castle and Canada Water.





Location

The Site is located at **14-16 Verney Road & Sandgate Industrial Estate** (53-57 Sandgate Street) in South Bermondsey, just off the Old Kent Road (A2), providing excellent access to Central and South East London, as well as The City. The Site is strategically located with key arterial routes available nearby via the A2 and A20, as well as the M25 to the southeast (12.8 miles).

The immediate area is predominately industrial use, although it has been undergoing transformation, with a high rise residential and purpose-built student accommodation scheme being delivered

to the south of the Site on the land at Ruby Triangle. South Bermondsey is ideally positioned as a key industrial hub serving the capital, attracting a wide range of tenants including last mile logistics, dark kitchens and traditional industrial occupiers.

South Bermondsey station is a 10-minute walk and there are several bus stops serving the Old Kent Road. The planned extension of the Bakerloo Line includes the Old Kent Road Station which, when completed, would also be a 10-minute walk.



Key Roads and Connections

Miles

City of London	3.1
West End	3.5
A2	0.1
M25	15.5
A3	1.8
A205	4.7



Rail & Air

Miles

Old Kent Road Bakerloo Station	0.4
South Bermondsey Station	0.5
Elephant & Castle Station	1.7
London Bridge Station	1.8
London City Airport	7.6
Gatwick Airport	37.4

Description

The Site extends to 4.25 acres (1.72 HA) and comprises of three separate properties under four individual titles.

Sandgate Industrial Estate arranged as 11 industrial units around a communal yard, measuring 1.52 acres (0.62 ha) in total.

14-16 Verney Road – arranged as two warehouses, Unit 2 (also known as Unit A) which is let to a commercial tenant and Unit 3, which is vacant.

Action House – containing a three storey self-contained office building that is let to a single commercial tenant (Artistic Spaces), who sublet and manage the workspace. Partitioned into small studio spaces, from 10 Sq M upwards.

The Site presents an industrial led development or refurbishment opportunity in an ultra-urban location with great connectivity.

The Site currently benefits from three access points, one off Verney Road to the north and two off Sandgate Street to the south.

Existing Industrial Specification



Built
c.1975-85



5m Minimum
Eaves Height



Level Access
Doors



Secured Gated Site and
Up to 28m Yard Depths



Three Phase
Electric to All Units



Floor Area
c.110,000 Sq Ft



Existing use class
EG(I), E(G)(iii), B2 and B8

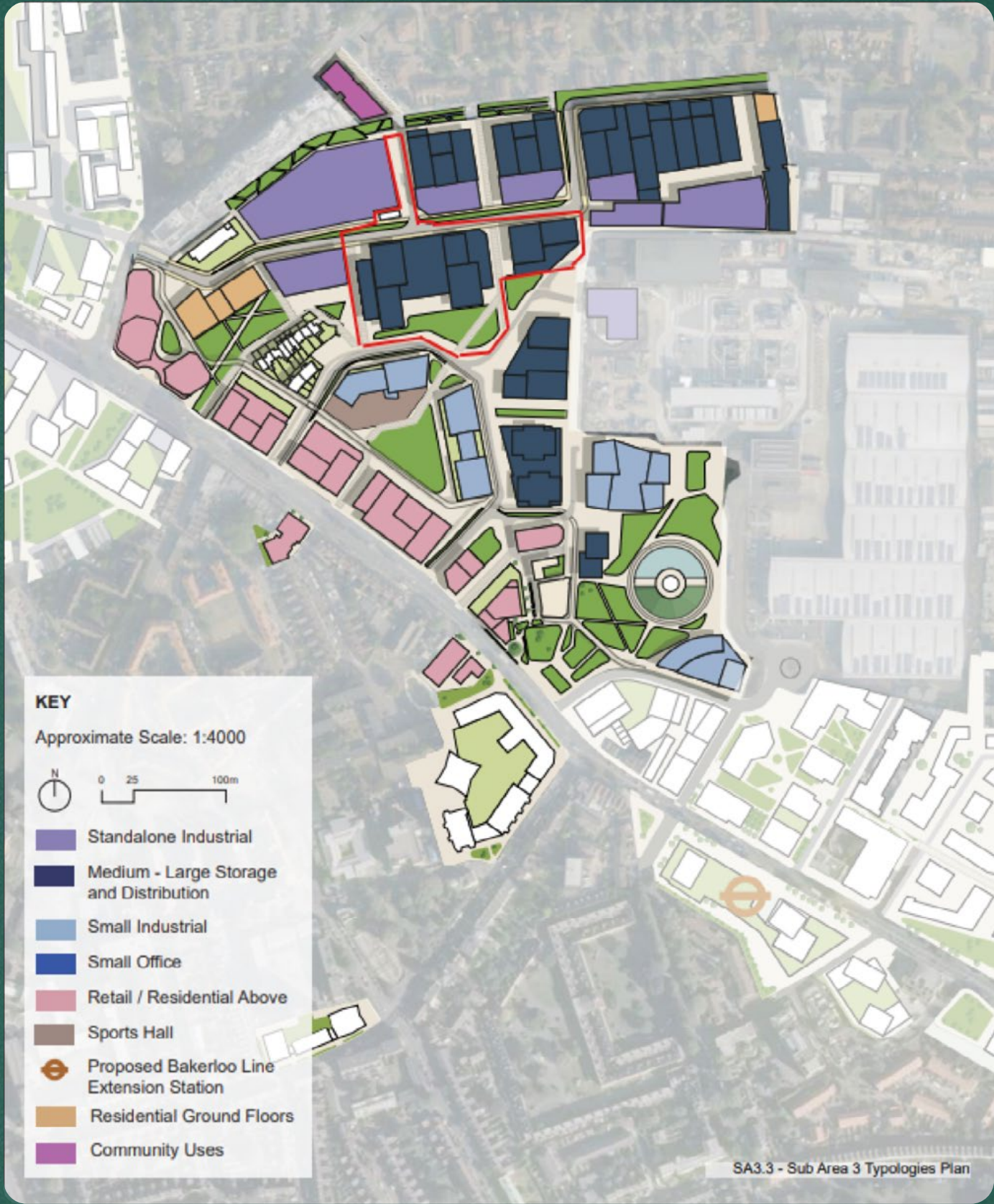


Steel portal frames with
masonry construction and
brick cavity walls

Property	Address	Building Area (GIA Sq Ft)	Building Area (GIA SQ. M)	Use
Units 1-11 Sandgate Industrial Estate	57 Sandgate Street	53,667	4,986	Industrial
Action House	53 Sandgate Street	12,903	1,199	Office
Units A & B	14 -16 Verney Road	41,274	3,834	Industrial
The Warehouse Café	14 -16 Verney Road	1,545	144	Café & Premises
Total		109,389	10,163	



Old Kent Road Area Action Plan (2024)



Planning

Southwark Council is currently in the process of adopting a new Area Action Plan for the Old Kent Road and surrounding area, following its designation as an opportunity area in the Local Plan (2022).

Regulation 19 public consultation on the Draft Old Kent Road Area Action Plan (AAP) took place February 2025 – April 2025. It is anticipated that the AAP will be adopted in late 2025, following an Examination in Public.

Within this draft plan the Site is located within Sub Area 3 - Sandgate Street, Verney Road and Old Kent Road (south). In line with Local Plan Policy NSP68, the masterplan for this Site is to transform the area into a new mixed-use location.

The draft AAP establishes that within Sub Area 3, there is development capacity for 5,300 homes, 2,661 jobs, 3 parks, 1 sports hall and 1 Primary School.

Additionally included within the AAP is an indicative typologies plan of Sub Area 3, which identifies the potential uses of the Site and the wider allocation. This is included in the map opposite, also illustrating the potential for stacked uses.

Local Plan Policy P30 - (office and business development) states that within site allocations where employment re-provision is required, development must:

- Retain or increase the amount of employment floorspace on site (Gross Internal Area (GIA) of E(g), B2, B8 class use or sui generis employment generating uses); and
- Promote the successful integration of homes and employment space in physical layout and servicing in areas that will accommodate mixed use development. This will include a range of employment spaces including freight, logistics, light industry, co-working, maker spaces and offices; and
- Provide a marketing strategy for the use and occupation of the employment space to be delivered to demonstrate how it will meet current market demand.
- Proposals for a new access road running through the Site (at the existing location of 14-16 Verney Road) have been considered from a planning perspective, with the existing access from Verney Road to be closed off. Plans for this will therefore need to be considered.

Elephant & Castle Transformation

The regeneration of Elephant & Castle is one of London's most significant, helping transform the heart of Southwark into a more vibrant and sustainable town centre. With over £4 Billion spent to date, the regeneration includes new homes, public spaces, high quality retail, education and cultural facilities to transform the town centre into the cultural hub of South London.

The plans have been focused on the new town centre and Elephant Park which is nearing completion, however further proposals are also coming forward.

These will deliver over 5,000 additional new homes across multiple developments, as well as significant investment in infrastructure and public spaces, helping contribute to and accommodate for 10,000 new jobs for the area.

Situated 10 minutes by road from Elephant & Castle Station, the Site is ideally located to cater to the growing demand and contribute to Elephant & Castle's ongoing success.





Old Kent Road Regeneration

Old Kent Road is undergoing a significant programme of renewal which will transform the local area from Bricklayers Arms to South Bermondsey.

Proposals include a total of 20,000 homes, a doubling of jobs to 10,000, a revitalised high street with shopping and town centre facilities as well as two new tube stations.

<https://oldkentroad.org.uk/>



Canada Water Regeneration

In addition to Elephant and Castle and the Old Kent Road itself, over the next 15 years Canada Water is undergoing significant regeneration with 3,000 new homes, 1m Sq Ft of retail and leisure, and 2m Sq Ft smart enabled workspace – all located a six minutes by road from the Site.

This is being delivered by British Land in partnership with LB Southwark and funders.

<https://canadawater.co.uk/>



Occupational Evidence

The London industrial market faces supply constraint issues, as a result supply-demand issues have driven up rents across the capital. Bermondsey is characterised by robust occupier demand and strong rental growth with little new build development in the area.

Ultra urban sites, such as Verney Road and Sandgate Street, present an opportunity to attract alternative as well as traditional occupiers. These alternative occupiers, such as dark kitchens and rapid delivery outlets,

including Deliveroo and Karma Kitchens, prioritise proximity to the end consumer above all else. Recent evidence places prime new build rents in excess of £40 per Sq Ft.

We have detailed a number of recent leasehold transactions within the market below:

Address	Date	Size (SQ. FT)	Rent (£ psf)	Lease Terms	Tenant
38-40 Verney Rd, Bermondsey	Q125	9,576	£30.00	10	Hungry Panda
Unit D, Six Bridges Trading Estate, Bermondsey	Q125	11,036	£30.00	10	Network Rail
Unit 5, Bricklayers Arms Distribution Centre, Bermondsey	Q125	15,326	£30.00	15	NHS
Unit A, Bloom Brixton	Q125	7,877	£41.00	10	Thomas Franks
Unit 19, St Andrews Way, Bow	Q3 24	8,533	£36.00	10	Yunex
Unit 15 and 16, Ferrier Street, Wandsworth	Q3 24	5,777	£45.00	10	Confidential
Unit A, 1B North Crescent	Q124	8,834	£34.00	10	Tangible Benefit



Title & Tenancy

The freehold for the Property is held under four separate titles by the London Borough of Southwark.

Freehold Title Numbers: SGL129965, TGL369294, SGL218010, TGL362348

There are a number of leases in place at the Site, including a number of existing long leaseholds as detailed below:

TGL276822 – London Electricity Board – 60-year term expiring 23 June 2033. Annual rent of £1 per annum. This relates to the electricity substation on Site. In relation to this is underground electric cabling, located 50 feet below ground, whilst development above is permitted, it is subject to approval of the LEB, which is not to be unreasonably withheld.

SGL279097 – Covered Markets Ltd - 125-year term expiring 14 June 2104. An annual rent of £1 per annum. Inside the Act. This relates to the entirety of Sandgate Industrial Estate.

SGL300777 – Southwark Council (leaseback) - 50-year term expiring 24 June 2028. Annual rent at 75.21% of Market Rent (currently set at £515,000 p.a.). Inside the Act, with rights of renewal on the same terms. This relates to the entirety of the Sandgate Industrial Estate.

Tenancy Schedule

Unit	Tenant	Current Rent	GIA Areas (Sq Ft)	Rent Per Sq Ft	Term (Years)	Lease Expiry	Inside LTA 1954 ACT?
Action House	Artistic Space Limited	£140,000	12,903	£10.85	10.5	29/03/2027	Yes
Unit A (Unit 2), 14 – 16 Verney Road	LRC Logistics Ltd & First Choice Transport London Ltd	£460,285	22,015	£18.20	5.5	31/05/2027	Yes
Unit 3, 14–16 Verney Road	Vacant	–	17,531	–	–	–	–
Units 1,2,3,4,5,6,7,9 & 10 Sandgate St (Amalgamated)	London Borough of Southwark Environmental	£530,195	47,360	£11.19	–	09/12/2010 (h/o*)	No
Unit 8 Sandgate St	Noje Ltd	£45,000	3,110	£14.47	3	01/12/2023 (h/o*)	No
Unit 11 Sandgate St	Coldharbour Industries Ltd	£48,700	3,207	£15.19	5	18/06/2028	No
Total		£1,224,180**					

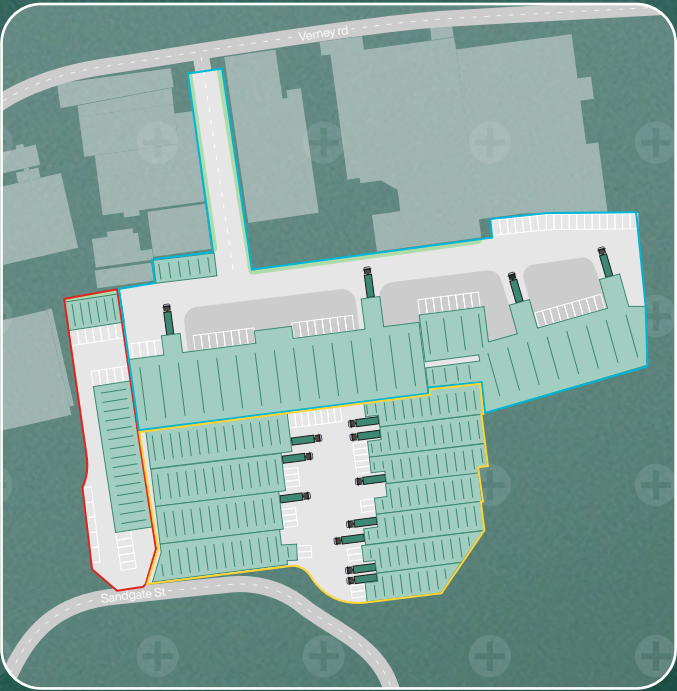
*h/o = holding over



⊕ **This rent does not reflect the annual rent (at 75.21% of Market Rent), that the Council currently pays to Covered Markets for the long leasehold they hold over the entirety of Sandgate Industrial Estate. The current net income receivable to the Council is therefore below net of this sum (£515,000 pa) at £709,180 pa.

⊕ The lease to Covered Markets states that the freeholder must be offered the lease back at market value before assigning their interest to a third party. Alongside this, LB Southwark are prepared to use their statutory powers to secure this leasehold interest and deliver regeneration of the site, if necessary.

We provide Reports on Title for the opportunity in the data room.



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Offers

Offers are invited on an unconditional and subject to planning basis with all bids to be submitted via the draft HoT's which will be provided in the data room alongside the Bid Information document.

Offers on the basis of a geared ground rent proposal will also be considered.

The vendor is not obligated to accept the highest or any bid received. The bid deadline will be confirmed by Montagu Evans during the marketing process.

The successful purchaser will be required to comply with ours' and the vendor's anti-money laundering requirements.

VAT

We understand the property has been elected for VAT and therefore anticipate the sale will be undertaken as a transfer of a going concern (TOGC).

Further Information



Luca Nardini

07795 501 905

luca.nardini@montagu-evans.co.uk

Will Fennell

07818 538 230

will.fennell@montagu-evans.co.uk

Rory Taylor

07776 587 663

rory.taylor@montagu-evans.co.uk

Samuel Blake

07429 170 013

samuel.blake@montagu-evans.co.uk

James Harding

07386 956 497

james.harding@montagu-evans.co.uk

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