

**SPECIALIST ADVICE FOR
THE EASTERN REGION**

& INVESTMENT **DEVELOPMENT**

Carter Jonas

MEET OUR DEVELOPMENT & INVESTMENT TEAM

OUR EXPERT TEAM OF PROFESSIONALS WORK SEAMLESSLY TOGETHER TO GUIDE YOU THROUGH EVERY STAGE OF THE DEVELOPMENT & INVESTMENT PROCESS FROM INCEPTION TO COMPLETION.



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DELIVERING DEVELOPMENT SCHEMES THAT ARE FIT FOR PURPOSE & COMMERCIALLY VIABLE

The assessment, planning and delivery of economically viable and sustainable development is often challenging for landowners, investors and developers across the public and private sectors. This is especially where land or buildings are being redeveloped into alternative uses, where a project has a potentially significant visual, social or environmental impact or where changes in market conditions can have an impact on options and ensuing values.

We guide clients through all stages of the development lifecycle, from site search and selection to implementation, providing initial market advice to formulate and implement the best scheme to achieve commercial, regeneration or corporate objectives. Understanding that risk is a major part of any development project, we ensure that our initial feasibility work seeks to test with clients their appetite for it to ensure that risk is quantified, managed and mitigated.

ACQUIRING AND SELLING ASSETS TO ACHIEVE DESIRED INVESTMENT RETURNS

Carter Jonas provides a full suite of investment services from portfolio analysis and the formation of investment strategies through to acquisitions, disposals, financial modelling, market research, negotiations and due diligence. We build a clear understanding of our client's investment strategies, identifying and securing appropriate stock at the right price and on the best terms. Our approach informs our client's business plans and ensures that returns are maximised. We explore opportunities to alter, enhance and redevelop in order to improve the performance of the asset prior to the implementation of the agreed exit strategy.

OUR CORE DEVELOPMENT & INVESTMENT SERVICES

• SITE & ASSET SEARCHES

The team's site and asset search capability encompasses three core service areas.

Strategic Land Searches

On behalf of regional and national developers, we are actively searching for short, medium and long term strategic land which is generally suitable for mixed use or commercial led development.

Occupier Led Searches

Acting for occupiers of commercial properties, we undertake targeted site and building searches including on and off market opportunities in order to acquire assets to relocate the business which, in turn, unlocks value on their existing site(s) through the exploration of redevelopment opportunities.

Investment Opportunity Searches

The team is active in the investment market on behalf of a number of clients who are seeking a wide variety of investment types. We are often tasked with identifying assets or complex sites where there is scope to enhance or unlock value through redevelopment or proactive asset management proposals supported by sound business cases.

• DUE DILIGENCE ASSESSMENTS

Site and desk top searches are undertaken to understand their context, opportunities and constraints. Aspects considered include present and neighbouring land uses, access rights, general site features, lease terms, covenant strength of occupiers, restrictions on title, the condition of the building and planned development in the area, archaeology, ecology, ground conditions etc (with the assistance of third parties). Alongside this, detailed planning appraisals are undertaken to identify constraints and opportunities from a planning perspective.

• MARKET APPRAISALS & RESEARCH

The team undertakes in-depth assessments across various markets to identify trends, activity and opportunities to inform development options and spot potential purchases or sales. Assessments cover take up, availability (existing and proposed), market values and yields as well as forecast changes to the market.

• DEVELOPMENT STRATEGY

Often working alongside a wider team including architects, quantity surveyors, engineers and planners, the team will explore multiple refurbishment or redevelopment options for the site / building. In determining the appropriate redevelopment options for each building / site, we will acknowledge the client's aspirations as well as the full range of opportunities and constraints (with mitigation measures recommended) which may affect the development potential on each site, be they legal, physical or environmental / planning driven.

• INVESTMENT STRATEGY

The team is well versed in providing strategic advice in relation to property investment portfolios and investment strategies. This frequently involves the review of existing portfolios, the client's investment objectives and its current approach to investment acquisition decision making. From this a revised strategy for investment may be agreed covering core target sectors, property types, criteria for investment and an agreed procedural approach to reviewing and approving prospective purchases.

• LAND ASSEMBLY

The team is well versed in providing strategic advice to clients in relation to the assembly of land for redevelopment ensuring its timely delivery to enable the wider scheme to take shape.

• DEVELOPMENT FEASIBILITY & FINANCIAL VIABILITY ASSESSMENTS

Utilising appropriate software packages (principally Argus Developer software), the team will run appraisals on each development option identified set against the base case scenario. We will outline the steps required to achieve any enhanced values and maximise returns, the anticipated delivery costs, the proposed phases of development and disposal strategies. Sensitivity analysis appraisals are run in conjunction with this to highlight development viability benchmarks and areas of high risk.

OUR CORE DEVELOPMENT & INVESTMENT SERVICES

• FUNDING STRUCTURES

Our Development and Investment teams work on a wide variety of industry standard and innovative financial structures to source capital for development schemes.

• EXIT STRATEGY

In line with the agreed asset management plan, we work with clients to agree and implement a suitable exit strategy. This can include seeking a development partner to deliver the proposed scheme; holding, managing, investing and re-gearing; or trading.

• JOINT VENTURES & PROCUREMENT

We regularly advise both public and private sector clients on the process of selecting the right development partner for their schemes. The team will outline the full range of procurement options, from conditional sales and development agreements through to full equity participation joint ventures.

• INVESTMENT SERVICES

We provide expert advice to our private and public sector clients on the valuation, acquisition and disposal of development and investment properties and portfolios across the eastern region. We run investment appraisals and cash flows to assess risk and return. Using our latest technology and internal systems we work seamlessly with the client and professional team to ensure the properties are ready for sale to achieve a timely disposal.

OUR PROCESS

THE DEVELOPMENT PROCESS

INCEPTION



- **Briefing Meeting:** Meet with the client's team in order to establish the nature of the project and desired outputs - for example, is it more appropriate to refurbish the building prior to marketing and disposal or is it best to embark on a viable redevelopment into an alternative suitable use with consideration put towards demolition of whole or part
- **Exit Strategy:** Consider whether the development is to be held or traded once completed
- **Site Inspection:** Carry out a site inspection of the site to consider the opportunities and constraints
- **Assessment of Ownership / Occupation:** Establish which parties are involved and the nature/extent of ownerships
- **Information Review:** Consider all relevant background information to gain a detailed understanding of the project's background and progress to date
- **Strategy Development:** Create business a plan for the property / site based on results of client meeting and findings obtained from the site visit



ANALYSIS



- **Market Appraisal:** Conduct an assessment of the local market through an appraisal of current and historic trends in availability, deals done, leasehold and freehold values in order to establish if there is likely to be demand for the proposed use
- **Option Appraisal:** Undertake a more detailed analysis of the options that can be implemented and establish what the redevelopment options are e.g. maintain existing use (is refurbishment/minor alterations required) or appraise the viability of change of use through more intensive redevelopment (office/industrial/residential (houses or apartments) / care home (if so what grade)/retail and leisure/hotel/student accommodation etc.)
- **Planning Review:** Review prospective options from a planning perspective – consider permitted development/local and national planning policies and guidance/CIL and S106 contributions/ protected status (listed/conservation area)/ the site's planning history
- **Development Viability:** Consider redevelopment costs
- **Development Appraisal:** Prepare detailed development appraisals, sensitivity analysis and cash flows
- **Reporting and Recommendations:** Present results in a detailed report format with clear recommendations as to what the next steps should be

IMPLEMENTATION



- **Architecture and Building Consultancy:** Appoint relevant teams to deliver project management and procurement advice on the best ways to deliver the scheme and monitor it through to completion
- **Planning Consultants:** Appoint planning team to prepare, submit and monitor pre planning/planning applications
- **Commission Surveys:** Undertake and complete surveys to assist with the planning process – topographical/ contamination/ archaeology/transport/ ecology etc.
- **Secure Planning Consent:** Discharge planning conditions and other matters that arise
- **Consider Funding Arrangements:** Does funding need to be obtained / are there internal funding resources available / is there a possibility to seek forward funding
- **Secure Site:** Secure vacant possession as required – consider penalties on lease breaks/ compensation to tenants. As part of the service we provide search and acquisition advice to occupiers through our Tenant Advisory Team (if required) which may need to be implemented to facilitate the development
- **Exit Strategy:** Implement the appropriate disposal strategy and consider off plan disposals, a disposal at the end of the development process or holding the asset before an investment sale at a later date

THE INVESTMENT PROCESS

INCEPTION



- **Briefing Meeting:** Meet with the client's team to understand background for acquisition strategy or asset disposal.
- **Creation of Investment Advisory Board:** Establish delegated responsibility levels for purchases or acquisitions of differing levels.
- **Building a Portfolio:** Agree with the client's team on the strategy for building a portfolio; if through existing assets, determine which will be moved across and which will be taken as development opportunities or held for asset management. If the former, are any consents required i.e. Planning, Listed Building etc.
- **Acquisition Process:** Review of acquisition process. Stock can be identified through a range of sources including agents, advertisements, auctions and off-market opportunities.
- **Disposal Process:** Providing guidance and support to assess the future values and options for the client's asset.
- **Engagement:** Engage with legal, financial and tax teams - be they in or out of house.
- **Assessment Criteria:** Agree with the client's team the criteria to be set for each potential investment, for example:
 - Quality of fabric
 - Covenant of tenant
 - Long term asset management potential
 - Holding costs
- **Review:** Establish gateway review process in relation to portfolio performance and strategy.



IMPLEMENTATION



- **Market Analysis:** Review and report on investment market activity across target asset classes and identified regions.
- **Promotion of Requirements:** Promote the client requirement to attract potential acquisition opportunities. Targets will include local landowners, investment vehicles and owner occupiers.
- **Purchase Report:** A Report is to be created for each opportunity to ensure stakeholder agreement. To include analysis of Assessment Criteria set within the Inception stage. Valuation, financial return and tenancy/management costing information also to be provided.
- **Disposal:** Review the best possible price for the disposal of the asset and ensuring the timing is right. Encouraging best bids and selecting the right buyer is essential to gain the best financial reward.
- **Acquisition:** Make direct approaches on potential purchases identified. Undertake negotiation with owner/owner's agent. Regular communication with the client's team to review opportunity. Agree the structure of the transaction (pricing and Heads of Terms).
- **Technical Due Diligence:** Chartered Building Surveyors to undertake pre-acquisition surveys to establish building condition.
- **Decision-making:** It is essential that decisions are made quickly so as not to miss out on opportunities.
- **Transaction Management:** Overseeing the transaction from inception to completion ensuring issues are dealt with swiftly and effectively.

PROPERTY AND ASSET MANAGEMENT



- **Landlord and Tenant:** Appoint appropriately experienced teams to undertake landlord and tenant negotiations for lease restructuring, lease renewal and rent review activities.
- **Service Charge and Rent Collection:** Appoint dedicated property managers to undertake Treasury services.
- **Agency:** Appoint appropriately experienced agents to undertake lettings activities over the lifetime of the holding.
- **Building Consultancy:** Appoint appropriately qualified building surveyors to undertake dilapidations, planned maintenance schedules and small works as required over the lifetime of the holding.
- **Project Management:** Larger projects to be undertaken by appropriately experienced project managers.
- **Development:** Review development/redevelopment opportunities to enhance the value of the holding.
- **Re-investment of capital:** Disposal of the asset at the end of the lifetime of the holding ensuring best value for our client's portfolio.

DEVELOPMENT FEASIBILITY

ALBION SQUARE HULL

The city centre site is primarily vacant and originally had been earmarked for an office development. Proposals were subsequently created for a multi-level, mixed use scheme of retail, food and beverage, leisure, residential and car parking.

Carter Jonas undertook a market gap analysis exercise while also providing development and investment advice to project managers working for the city council on the regeneration of Hull. The team undertook a detailed local market appraisal covering supply, demand, trading potential and pricing.

Furthermore, investigations were undertaken to establish the inputs required for the various elements of the development appraisals (viability, sensitivity and risk analysis) with various options appraised and sensitivity analysis undertaken under different ownership structures to improve viability.

The team, working with the architects, also contributed to the improvement of the scheme in design terms.



NORWICH AIRPORT INDUSTRIAL ESTATE NORWICH

Carter Jonas are advising Norwich City Council and Norfolk County Council in relation to a major redevelopment and investment programme at NAIE which extends to 119 acres and offers around 1.3m sq. ft. of predominantly light and general industrial / warehousing space. A strategic assessment of the proposed development masterplan was undertaken which analysed the type, scale, phasing and location of development opportunities with alterations to the masterplan recommended.

The team (with the input of a QS) undertook a series of development option and feasibility appraisals with detailed cash flows which identified how gross rents could increase by over £3m per annum on the two development zones. The team is now tasked with identifying, interviewing and appointing a suitably qualified development partner to fulfil a development management role over the wider estate.

EAST BARNWELL COMMUNITY CENTRE CAMBRIDGE

Our multi-discipline team within Carter Jonas, incorporating development consultants, architects, masterplanners and planning consultants, helped to design and advise on a transformative mixed use scheme incorporating a pre-school, worship space, offices, community youth space, flexible meeting rooms, café, library, an enclosed multi-use games area with associated changing rooms and 56 residential apartments/townhouses.

In addition, land assembly negotiations have been conducted in order to bring on board the adjoining site. Numerous design variations were run which evolved on the back of a series of development viability and sensitivity appraisals along with pre-application planning advice and public consultation feedback.



DEVELOPMENT SITE ACQUISITION & IMPLEMENTATION



SUFFOLK PARK BURY ST EDMUNDS

Carter Jonas were instructed by TREATT to provide relocation and development consultancy advice in relation to a new headquarters building within 20 miles of Bury St Edmunds. The requirement was for a 10 acre site to develop a 100,000 sq. ft. hybrid building of office, laboratory, distribution and manufacturing space.

Various sites were identified and assessed against TREATT's relocation criteria with a plot on the emerging Suffolk Park (a new industrial led business park to the east of Bury St Edmunds) scoring highest. Planning advice was provided by Carter Jonas to ensure the proposals could be brought forward with the team then tasked with negotiating the purchase of the land and ensuring that TREATT entered into a subject to planning deal which worked for them.

The instruction also covered the disposal/development of TREATT's existing 6 acre site in Bury St Edmunds and advising on the best exit strategy that covered both development options and a straightforward sale.



An architectural rendering of a modern, multi-story office building. The building features a mix of light-colored stone or concrete panels and large glass windows. A central vertical section has a prominent glass facade. In the foreground, there is a paved parking lot with several cars parked: a dark SUV, a white hatchback, a blue sedan, and a silver sedan. Landscaping includes green bushes and small trees. The sky is blue with scattered white clouds.

COWLEY ROAD CAMBRIDGE

A detailed market review into the office sector was conducted in order to prepare designs for a 26,000 sq. ft. office to be located on underutilised land adjacent to our client's office. Planning advice was sought in relation to the proposed office with particular focus on the site's location within the 'Cambridge Northern Fringe East Area Action Plan' and the implications that this would have on design and timescales.

A series of development viability and sensitivity analysis appraisals were undertaken to reflect the various permutations linked to the scheme (i.e. single or multiple occupiers) and in relation to possible timescale impacts imposed by the area action plan. The work conducted gave the client sufficient confidence to seek planning consent for the proposed office which was then secured.

DEVELOPMENT SCHEMES FROM INCEPTION TO COMPLETION

BOREHAMGATE SHOPPING CENTRE & HAMILTON ROAD QUARTER SUDBURY

The Borehamgate shopping centre was identified as a strategically located investment opportunity in Sudbury town centre with the adjacent buildings owned by Babergh Mid Suffolk District Council (BMSDC). The shopping centre, which provides 31,773 sq. ft. of ground floor retail space with office and residential above, was introduced to BMSDC. The team was subsequently retained to acquire the centre which was successfully undertaken. In line with this, Carter Jonas was tasked with working up and testing possible commercial development options for the wider Hamilton Road Quarter (HRQ). This was in line with local plan policies which outlined the desire for a mixed-use development at Hamilton Road. The aim was to deliver a comprehensive regeneration of the site; to help unlock the value of BMSDC assets; and to generate wider social, economic and environmental benefits for the town as a whole. Various development options, which include leisure, retail, commercial and residential uses, have been appraised. The preferred option includes a five screen cinema, small format retail, food and beverage units and residential accommodation above. A viability and financial appraisal exercise has been run alongside soft market testing to identify a suitable developer and anchor occupiers.





EASTLAND HOUSE WESTGATE, HUNSTANTON

Swains International had been operating out of premises including 33,000 sq. ft. of office and warehouse space for over 30 years; however it was no longer fit for purpose and alternative options needed to be identified.

An in-depth development option, viability, sensitivity and residual land value report was prepared. Various options and end uses were considered including retirement flats, residential units, retail units with flats above and a standalone convenience store.

Redevelopment into retirement flats generated the highest residual land value and as such a soft market testing exercise was undertaken which identified prospective buyers for the site and resulted in an off market, freehold site disposal to McCarthy and Stone.

The site disposal was simultaneously linked to the acquisition of a 24,000 sq. ft. warehouse/office in King's Lynn (identified on the back of a site search carried out by the team) with the relocation process managed throughout, until completion of both sites.



ELY LEISURE VILLAGE CAMBRIDGESHIRE

After being appointed by East Cambridgeshire District Council, Carter Jonas were tasked with identifying, interviewing and negotiating the appointment of a development partner to take forward the proposed scheme. Having successfully demonstrated their credentials Turnstone Estates were appointed and retained Carter Jonas to provide market analysis to refine the proposed scheme and secure forward funding as well as marketing and disposal advice. £15.7 million forward funding was secured from Standard Life Investments for the project, with the team subsequently leading on the marketing and disposal of the 47,000 sq ft development with disposals to various national brands including Cineworld, Chosen Bun, Arbuckles, McDonalds, Costa Coffee, Frankie & Benny's, Hungry Horse and KFC.





NEWMARKET ROAD CAMBRIDGE

The existing property, which includes the former Five Bells public house and the adjoining retail unit, was identified as being underutilised and suitable for redevelopment. The team, in conjunction with architects, undertook a comprehensive assessment of redevelopment options on the site covering end uses such as offices, student accommodation, residential flats, retail and a public house.

The detailed market assessment and supporting development appraisals identified two strong redevelopment options anchored either by a student accommodation provider or an office occupier. The decision was made by the client to proceed with making preparations for a planning application for redevelopment into a student accommodation block with the Carter Jonas planning team appointed to advise the client and to handle the application.

Prior to submitting the application, colleagues in the office agency team, registered their interest in the development on behalf of their retained client Ninja Theory. The team were tasked with identifying a new, freehold, office within a defined central area of Cambridge. Having conducted an extensive search of existing and proposed properties, it became apparent that the subject property would be particularly suitable. Despite being in the advanced stages of preparing the student accommodation planning application, the office agency team managed to persuade the option holder that a freehold disposal to Ninja Theory would be beneficial for all parties – both financially and in planning terms. Detailed negotiations were undertaken on the terms of the disposal and the specification of the 23,000 sq. ft. office, along with a 2,000 sq. ft. local community public house (to be operated by the purchaser). Terms were agreed on an off market basis with a detailed planning application subsequently submitted and consent quickly secured thereafter.

LOGIC HOUSE NEWMARKET ROAD, CAMBRIDGE

The existing office is strategically located within the 'Eastern Gate Development Zone' as identified within the Cambridge Local Plan (2006) and offered office accommodation principally over first and second floors with an undercroft car park and underutilised rear car park.

Market research identified a series of potential end uses for the site which ranged from offices through to student accommodation, residential accommodation and retail. Plans prepared for the site highlighted various development routes including the refurbishment through to demolition and rebuild.

The scheme that generated the most attractive results included the refurbishment of the 4,000 sq. ft. office space alongside the delivery of a ground floor café and 11 residential units to the rear.

A planning application has subsequently been submitted by Carter Jonas for the proposed scheme.



INVESTMENT ACQUISITIONS & DISPOSALS

LLOYDS BANK GENTLEMAN'S WALK, NORWICH

The property, which is fully let to Lloyds Bank Plc, has been the main branch for the bank in the city since 1920. It occupies a strategic site facing Norwich market. The freehold interest was acquired for a local authority for £6.8m reflecting a Net Initial Yield of 5.58%.



LANGFORD ARCH SAWSTON, CAMBRIDGE

This multi let office and industrial building, converted from a former tannery, is anchored by Excell Systems. It was sold for £2.5m to a Prop Co reflecting a Net Initial Yield of 7.5%



THE GYM WESTWOOD CROSS, RAMSGATE

This newly developed unit is located in a dominant retail and leisure destination and is fully let to The Gym Ltd on a 15 year lease with fixed increases. Carter Jonas identified the investment opportunity prior to full marketing by the vendors with the freehold acquired for a local authority for £2.215m reflecting a Net Initial Yield of 5.57%.



4-8 HILLS ROAD CAMBRIDGE

4-8 Hills Road is an attractive period office building well located in close proximity to Cambridge Train Station and the CB1 development. It is fully let to Cambridge Intelligence and was sold for £3.72m to a private buyer reflecting a Net Initial Yield of 4.49%



1-3 MASKEW AVENUE PETERBOROUGH

This parade of three roadside units which are let to Halfords, Kwik Fit and UniFit benefitted from a WAULT in excess of 9 years. It was sold for £1.3m to a charity reflecting a Net Initial Yield of 5.75%.



50 SIDNEY STREET CAMBRIDGE

The property, which extended to 2,169 sq. ft. over 4 floors, represented a rarely available freehold retail investment on a prime pitch in Cambridge. It is fully let to Flight Centre and was sold for £1.26m to a fund reflecting a Net Initial Yield of 4.75%.



THE LEVELS CAMBRIDGE

The property, situated in a modern upmarket apartment complex, comprised of a renowned Michelin Star Restaurant and a popular local pizzeria. The investment was sold for £1.065m to a private client reflecting a Net Initial Yield of 6.5%.



TRAVELODGE HOTEL HAVERHILL, SUFFOLK

This attractive investment opportunity was sold for £5.5m to a boutique fund reflecting a Net Initial Yield of 6.0%. The property, let to Travelodge on a new 25 year lease, had been extensively refurbished and benefitted from RPI linked rent reviews.



OLYMPUS CLOSE & CAVENDISH STREET IPSWICH

The accommodation comprises two multi let industrial estates of approximately 52,000 sq. ft. which were sourced and acquired off market on behalf of our Prop Co client for £2.8m reflecting a Net Initial Yield of circa 9.00%.

The properties were fully let and had a strong trading history providing a high yielding income stream from the passing rent of £271,472 pa.



38 OFFICES ACROSS THE COUNTRY, INCLUDING 13 IN CENTRAL LONDON



Bangor

Basingstoke

Bath

Birmingham

Boroughbridge

Cambridge South

Cambridge North

Cambridge Central

Edinburgh

Harrogate

Kendal

Leeds

Marlborough

Newbury

Northampton

Oxford

Peterborough

Shrewsbury

Suffolk

Taunton

Truro

Winchester

York

National HQ One Chapel Place

Barnes

Barnes Village

Fulham Bishop's Park

Fulham Parsons Green

Holland Park & Notting Hill

Hyde Park & Bayswater

Knightsbridge & Chelsea

Marylebone & Regent's Park

Mayfair & St James's

S. Kensington & Earl's Court

Wandsworth

Waterloo

ABOUT CARTER JONAS

Carter Jonas LLP is a leading UK property consultancy working across commercial property, residential sales and lettings, rural, planning, development and national infrastructure. Supported by a national network of 38 offices and 700 property professionals, our commercial team is renowned for their quality of service, expertise and the **simply better advice** they offer their clients.

Find out more at [carterjonas.co.uk/commercial](https://www.carterjonas.co.uk/commercial)

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