sitemax

Early-stage Feasibility Intelligence Report

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1. Site information

Site address: 101 Commercial Road, London, E1 1RD

Site type: Freehold mixed-use site

Asking price: POA

Site area: 0.1 hectares (0.24 acres)

Planning status: Prior Approval Refused

Planning reference: PA/25/00583/A1

Planning proposal: Prior approval for change of use of first and second floors from offices (Class E) to residential.

Planning decision: Prior Approval Refused

Decision date: 2025-05-22

Planning portal: View planning application

Occupancy status: Multi-let to 10 tenants with basement lease running to 2030 and vacant possession possible on upper floors within 6 months

2. Executive summary

Commercial opportunity: The site presents a strong mixed-use redevelopment prospect supported by local authority policy for commercial-to-residential conversions and a dynamic nearby market, with viable residential-led or mixed-use options pending vacancy management.

Implementation sensitivity: Moderate to high given complexity of multi-tenancy, existing basement lease through 2030, and phased vacant possession requirements impacting delivery timing.

Strategic positioning: Well-positioned in a City Fringe Opportunity Area with robust connectivity and local authority support aligning with intensification and mixed-use redevelopment strategies.

Viability position: Moderate, contingent on successfully securing vacant possession and managing basement lease constraints while optimising residential or visitor accommodation mix.

Planning confidence: Moderate. Prior refusal on prior approval highlights challenges, but multiple nearby approvals underpin a credible pathway for mixed-use redevelopment.

Acquisition attractiveness: 7.5 – Reflects a good acquisition opportunity subject to effective lease and delivery risk management with confirmed market demand and location advantages.

2a. Key metrics snapshot

Existing income: £208,653 per annum

ERV: Insufficient brochure evidence to quantify

Floorspace: 3,070.7 sqm (Gross Internal Area)

Development typology: Office and institutional with mixed-use redevelopment potential

3. Site overview

Existing uses: Multi-let offices and educational use with commercial basement tenant.

Income position: Current rental income totals £208,653 p.a., including basement income of £55,200 p.a.

Building characteristics: Former factory converted to office, large floorplates over basement plus four floors with vehicular basement access.

Delivery context: High complexity due to multi-tenancy, mixed uses, and lease retention, requiring phased vacant possession management.

Strategic positioning: Situated in a City Fringe Opportunity Area supporting mixed-use intensification with strong transport and market connectivity.

4. Planning position and constraints

Planning position: Eligible for Class MA prior approval but current application refused; local policy supports mixed-use with residential, visitor accommodation, or office retention options.

Heritage and structural constraints: Located within a conservation area with no listed building status; structural adaptation feasible given existing conversion but requires detailed survey.

Access and servicing: Vehicular access available to basement via Settles Street; servicing logistics manageable within urban context.

Phased delivery constraints: Basement lease until 2030 and ground plus upper floors multi-let requiring phased vacant possession coordination.

Density calibration: Moderate to high density appropriate with large floorplates and stepped building height complying with local planning guidelines.

4a. Government planning constraints check

Conservation area: Yes — Conservation Area record returned

Listed building: No record returned

Article 4 direction: No record returned

Flood risk: No record returned

Green Belt: No record returned

Heritage at risk: No record returned

Historic park and garden: No record returned

Ancient woodland: No record returned

SSSI: No record returned

National landscape / AONB: No record returned

Flood storage area: No record returned

Brownfield land: No record returned

Source: Planning Data England API. Absence of returned records does not confirm absence of constraints; local authority records should be reviewed.

4b. Constraint matrix

Planning risk: Moderate

Delivery risk: Moderate

Market risk: Moderate

Occupancy risk: Moderate

Infrastructure risk: Low

Cost risk: Moderate

Income delta: Insufficient brochure evidence to quantify

4c. Recent planning decisions and development activity

Comparable local planning evidence

- **PA/26/00846/S** 6-136 Commercial Road, London, E1 1NL
  Proposal: Change of use from B8 to C3 at first and second floors to provide 3 self-contained flats.
  Why it matters: Demonstrates recent residential conversion of commercial floorspace in the immediate vicinity, relevant to the subject site's potential for residential redevelopment.
- **PA/25/02193/NC** 152-152A Commercial Road & 2A, 2B & 2C Hessel Street, London E1
  Proposal: Certificate of lawfulness for installation of steelwork to reinforce loadbearing walls supporting a new basement floor extension.
  Why it matters: Indicates structural works to facilitate basement extension, relevant for understanding intensification potential in the area.
- **PA/25/01814/A2** 187-189 Commercial Road, London, E1 2DA
  Proposal: Prior approval for change of use of first floor commercial space to create 2 residential dwellings.
  Why it matters: Shows acceptance of mixed-use redevelopment with residential conversion of commercial floorspace nearby, supporting the subject site's mixed-use strategy.
- **PA/26/00704/A1** Nags Head Public House, 17-19 Whitechapel Road, London, E1 1DT
  Proposal: Redevelopment for a five-storey building plus basement comprising boutique hotel and associated works.
  Why it matters: Illustrates mixed-use redevelopment including visitor accommodation, relevant to alternative development pathways for the subject site.
- **PA/26/00445/A1** 187-189 Commercial Road, London, E1 2DA
  Proposal: Two-storey roof extension to create 4 new flats on existing building.
  Why it matters: Demonstrates residential intensification via roof extension in the local area, indicative of development potential for the subject site.

Planning trend commentary

Due to limited comparable planning activity within 1 km of the subject site, comparable planning applications have been identified using a wider 2 km search radius. The dominant planning themes in the area include residential conversions of commercial and storage buildings, mixed-use redevelopment incorporating residential and visitor accommodation, and structural works to enable intensification such as basement and roof extensions. The local planning authority appears supportive of residential intensification and mixed-use schemes, including prior approvals for change of use from commercial to residential. This aligns with the subject site's potential for mixed-use redevelopment, residential conversion under Class MA, and alternative residential or visitor accommodation uses. The evidence indicates a planning environment conducive to redevelopment and densification consistent with the subject site's strategic development objectives.

Source: PlanWire UK Planning API using live local authority planning records within the search radius used for this report.

5. Market evidence

Residential sales evidence

In the E1 1 postcode sector, there were 71 residential transactions over the 2-year period from 2024-07-25 to 2026-07-25. The average sale price was £1,204,325. This represents a strong sample evidence sample.

5a. Residential rental benchmark

The official rental benchmark for Tower Hamlets indicates a median monthly rent of £2,385 for 2-bedroom properties as of May 2026. This represents an official administrative-area benchmark rather than live asking-rent evidence.

5b. Market demand assessment

The available residential sales evidence and official rental benchmark indicate a well-established market with substantial transaction activity and a robust rental baseline in the local authority area.

Market confidence: Moderate-High

Source: HM Land Registry Price Paid Data and Office for National Statistics Price Index of Private Rents via PlanWire Market Evidence API.

Methodology: sitemax prioritises postcode-sector residential sales evidence where available and uses official Office for National Statistics rental benchmarks as administrative market indicators rather than live asking-rent comparables. Where verified evidence is unavailable, no market conclusions are inferred.

6. Commercial snapshot

Income position: The property generates £208,653 per annum with basement lease providing £55,200 through 2030.

Capital exposure: Significant capital exposure anticipated due to extensive conversion and phased delivery complexity.

Build cost position: Cost benchmarks depend on final typology, specification, and reserved matters; conversion and mixed-use elements suggest higher specification towards upper benchmark.

Delivery complexity: High delivery complexity due to multi-let tenancy, mixed uses, and operational constraints requiring phased vacant possession.

Commercial outlook: Moderate, reflecting strong market demand tempered by delivery and occupancy risks associated with tenancy profile and lease expiry timing.

7. Key risks

- Securing vacant possession of multi-let upper floors within six months may encounter delays impacting delivery timetable.
- Basement lease to 2030 restricts full vacant possession, potentially limiting flexibility and value uplift.
- Complex phased redevelopment increases risk of cost overruns and coordination challenges across multiple tenants.
- Conservation area status may impose constraints on alterations affecting facade and external works.
- Operational servicing and vehicular access limited to Settles Street could constrain construction logistics and ongoing servicing.

8. Recommendations

Planning recommendation: Engage with Tower Hamlets planning to explore scope for relief from prior approval refusal and assess mixed-use or visitor accommodation options.

Technical recommendation: Commission structural survey focusing on building adaptability and implications of conservation area status for external works.

Commercial recommendation: Undertake detailed lease review and negotiation strategy to accelerate vacant possession particularly for basement lease retention risk.

Market recommendation: Validate residential and visitor accommodation mix through further market testing reflecting strong local demand and rental benchmarks.

Delivery recommendation: Adopt phased delivery approach backed by tenant exit profiling and vacant possession sequencing to optimise construction logistics.

Phasing recommendation: Prioritise vacant possession and redevelopment of ground and upper floors, with separate strategy for basement reuse or retention respecting lease expiry.

Design recommendation: Develop flexible mixed-use scheme balancing residential intensification and continued office/education uses aligned with conservation area controls and density moderation.

Source: sitemax Site Intelligence Engine, Planning Data England API, PlanWire UK Planning API, HM Land Registry Price Paid Data and Office for National Statistics Price Index of Private Rents.

9. Strategic market context

Local development context: Site located in a dynamic City Fringe Opportunity Area experiencing active regeneration and transport-led growth supporting intensification.

Planning context: Situated within City Fringe Activity Area, subject to conservation area controls with local policy geared towards mixed-use redevelopment and residential conversions.

Market positioning context: Positioned within a strong residential and educational hub with increasing demand for both institutional and residential accommodation supported by strong transport links.

Demand context: Sustained residential sales transactions combined with robust rental benchmarks underpin a resilient market supporting development viability.

Strategic implication: Evidenced planning support and market fundamentals indicate viable mixed-use redevelopment potential requiring phased implementation and tenant coordination to realise full value.

10. Indicative cost and delivery benchmarks

Development quantum used: 3,070.7 sqm

Source: Existing Floorspace: Gross Internal Area (GIA)

Confidence: High

Lower-spec benchmark: £2,800–£4,000 per sqm

Higher-spec benchmark: £4,000–£5,000 per sqm

Commentary: Conversion and refurbishment of mixed-use building with conservation area constraints and phased delivery drive costs towards higher specification range.

Lower-spec estimate: £8.6m–£12.3m

Higher-spec estimate: £12.3m–£15.4m

These benchmark estimates exclude land acquisition, finance costs, professional fees, planning obligations and abnormal works.

Delivery complexity: High delivery complexity due to multi-let tenancy, mixed uses, and conversion requirements.

Commentary: Phased vacant possession and lease coordination increase delivery risk and require robust project management.

- Structural adaptation costs related to conservation area compliance and existing building fabric.
- Phased occupation and tenant decanting logistical challenges increasing programme duration.
- Potential need for utilities upgrade due to intensified residential use.
- Urban site servicing and vehicular access limitations may elevate logistics costs.
- Specification variability driven by mixed-use components and potential visitor accommodation requirements.