

COMPANY
BROCHURE
2021

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@riverstoneestatesplc

A vertical stack of three circular social media icons: Facebook (f), Twitter (bird), and Instagram (camera).

A B O U T R I V E R S T O N E E S T A T E S P L C

Our team of planning and development specialists has over 50 years' experience working nationwide for both Local Authorities and in private practice. This expertise, coupled with a strong financial background, means we have accumulated vast industry knowledge and are able to deliver expansive planning and development services to clients. Our experience within the property sector includes finance and capital raising – as a result of our proven track record, we proud of the fact that we have raised in excess of £10 million on previous projects.

Approach

Riverstone's approach is to secure cost effective planning and development outcomes in a timely and cost effective way. We concentrate on projects that we feel are achievable and we tailor our planning proposals to maximise the prospect of success, rather than seeking to proceed with developments that have little chance of being realised.





JOHN RUSSELL FORDE - CEO

John, known as Russell, has some 30 years' experience in town and country planning involving a wide variety of development projects, both in the public and private sectors.

His academic achievements are many and include: Bachelor of Engineering Honours Degree (enhanced); Post-graduate Diploma with Distinction in Town Planning; Recipient of RTPI prize for outstanding achievement; and is a member of the Royal Town Planning Institute.

Russell spent a number of years honing his skills working in the public sector for several local authorities in a variety of roles from Planning Assistant to Development Control Manager, before going into private practice in 2000. This led to him specialising in master planning and strategic issues, co-ordinating and presenting evidence across the whole spectrum of planning practice.

In March 2002 he established an independent planning consultancy called Smart Planning Ltd of which he is the Principal Director. The company has grown and the planning and development team currently twenty people work out of two offices (Battlesbridge, Essex and Docklands, London) for both public and private sector clients. Smart Planning is recognised as one of the more significant independent planning consultancies in the south-east.

About Smart Planning

Smart Planning is a multi-disciplinary team of chartered town planners and professional planning consultants dedicated to the pursuit of development and land-use solutions. Whether in routine development control, landscape and design, or complex strategic planning, Smart Planning have the personnel, skills and experience to navigate proposals effectively through the planning process.

The team of consultants at Smart Planning have developed a reputation for problem solving and making progress in difficult situations of competing constraints. This is achieved through knowledge of the planning system, daily application of planning law, creativity in design, team working and by placing a high value on negotiation and discussion.



CASE STUDIES

Below is a list of example projects undertaken by members of the Riverstone team to demonstrate our vast expertise and experience within the company

The Grand Hotel (Southend-on-Sea Unitary Authority)

Planning permission for conversion and extension of locally listed hotel into mixed use. Comprising basement wine bar and health club, ground floor restaurants and terrace and 18 self-contained flats.

Pieris Place (Thurrock Unitary Authority)

Outline planning permission, reserved matters consent and discharge of pre-commencement conditions in respect of 19 bespoke executive homes in the Metropolitan Green Belt.

Clarence Road (Thurrock Unitary Authority)

Application for change of use of remainder of former Conservative Club to mixed use comprising of managed hostel accommodation and two retail units Planning permission granted by LPA.

Pinewood Poultry Farm (London Borough of Havering)

Demolition of 15 commercial storage units. Change of use to residential to include the creation of five detached three-bed dwellings. Planning permission granted on appeal.

Heath Park Road (London Borough of Havering)

Demolition of existing garages and erection of single dwelling. Planning permission granted on appeal. Award of costs granted.

Fortis House (London Borough of Barking and Dagenham)

Prior notification application for change of use from Class B1(A) (offices) to Class C3 (dwelling houses). To create 20 one-bedroom flats and 20 two-bedroom flats. Prior approval not required, confirmed by LPA.

Park Avenue (London Borough of Barking and Dagenham)

Proposed conversion to two self-contained flats. Planning permission granted on appeal. Award of costs granted.

Alphabet Square (London Borough of Tower Hamlets)

Retrospective application for change of use from live/work (Sui Generis) to residential (C3) and subdivision to create two self-contained residential units. Planning permission granted by LPA.

Humberside Airport (Humberside)

Planning permission obtained for a 100 bedroom hotel of modern design; To be operated by an international brand to serve oil, gas and renewable energy industry in addition to increasing demand for fixed wing traffic.



CASE STUDIES

Theatre One (Coventry)

Planning permission for demolition of existing building and erection of mixed use development. Comprising of 42 en-suite bedrooms and ancillary facilities to provide student accommodation. Included indoor amenity area, cycle store, open rooftop amenity space and two ground floor commercial units.

Landmark Business Park (Suffolk)

Former Research & Development establishment, rationalised for occupation by new Class B1, B2 & B8 users. Planning and design of additional 7,000sq.m. Business Park.

Three Rivers Golf & Country Club (Essex)

Site optimisation; Planning permission for 80 bedroom hotel and six detached houses.

Ford Place (Thurrock Unitary Authority)

Planning permission and listed building consent; Restoration and conversion of Grade II Listed Manor House to provide ten residential apartments, restoration of Grade II Listed Gardener's Cottage and Listed walls to yard and garden of Manor House.

Mulberry House (Essex)

Planning permission and listed building consent for masterplan proposal in relation to listed Manor House turned conference/ wedding venue. Included demolition of various structures and erection of replacement building to provide dining room, dedicated kitchen, reception lounge, 25 guest bedrooms and basement containing meeting room, office, gym and a plant room.

Epping & Ongar Railway (Essex)

Public inquiry to provide residential development of railway sidings. Included preservation of historic rail corridor and listed station building.



CASE STUDIES

Herbage Park (Essex)

Planning permission for holiday lodge development in two phases. Created 72 lodges, feature-lake and reception building containing swimming pool and other recreational facilities.

NHS England, Essex Area Team (Essex)

Responding to planning applications on behalf of NHS England (Essex Area Team) as a statutory consultee. Development of templates and related advice notes to make the NHS Essex Area Team self-sufficient in responding to planning applications.

Various Nursing Home Sites (Wales and the North of England)

Conducting of site appraisals to establish the development potential of client's portfolio of multiple nursing home sites. Exercise undertaken in response to client acquisition of sites as a result of UK recession.

Various Sequential Tests (England and Scotland)

Produced as an evidence base to accompany planning applications to justify development proposals in use. Classes A1, A3, A4 and A5.



THE MARKET AND THE COMPANY

The Company

The Company pay a build cost price, which is produced by a qualified Quantity Surveyor at the outset, to the developers, which includes all associated services required for development ready for residential lettings or sale on the open market if appropriate.

Riverstone also manages lettings of the properties and will liaise with its private letting contacts or Housing Associations to secure lettings.

The Directors of the Company have, collectively and individually, many years' experience in the planning and development sectors along with experience in raising money for the development of properties, meaning they can source sites/ properties with good potential efficiently with local expertise.

The Directors have sound relationships with a number of Housing Associations which have been fostered over many years. The Company intends to continue the Directors' strategy of working with Housing Associations to identify, acquire, and add value via the planning processes; properties suitable for their needs and to their specifications.

Riverstone is raising funds for the acquisition of commercial properties to renovate and convert for residential use to be either, let on a fully managed basis, or sold; as well as to acquire Greenfield sites or Brownfield sites to develop into residential housing and to add value via 'permitted development rights' or Full Planning applications in cases of 'Windfall' developments.



THE MARKET AND THE COMPANY

The Rental Market

There are two main sectors of the rental market, the private sector, and the social sector.

The private sector encompasses houses (both large and small), apartments, student accommodation, HMOs, retirement complexes. This sector enjoys fairly consistent demand for properties to let, short and long term, and as a result, offers an attractive investment market for private portfolio landlords, pension funds and the like, all the way down to individuals.

Primarily, this is because rent levels, and by extension - rental yields, are generally much higher than those in the social sector. However, by comparison, the private sector is dwarfed by the 'social' sector.

The main reason for this imbalance is affordability, which is a growing problem for Councils and Housing Associations alike up and down the country. Supply simply cannot keep up with demand across the whole housing spectrum, from shared ownership to affordable rents. This is most evident in areas such as London and the other main conurbations around the country.

One way Local Authorities in these areas are attempting to address the shortfall in suitable housing supply is to impose legal agreements on developers. These are known as Section 106 agreements, requiring them to allocate quite large percentages (in some cases, 40% is not unheard of) of nearly all proposed developments to meet their social housing needs before planning permission is granted.

Factors such as changes in the job market generally as a result of 'recessions' caused by catastrophic events such as the Coronavirus pandemic, Brexit, or the banking crash of 2007/8 all impact the rental market usually creating higher demand in both sectors. Social landlords, Housing Associations and Councils already have long waiting lists which just keep growing because they don't have sufficient readily available housing stock to meet the growth in demand. It is virtually a crisis led self-renewing market.



INVESTMENT STRATEGY

Investment Strategy

Riverstone targets the less affluent areas of the UK where demand for 'affordable' social housing is high and supply is low. We also target areas within the Eastern Home Counties where demand is also high for both social and private rental accommodation as well as properties of all sizes offered for sale on the open market.

The Company notices an abundance of opportunities in these areas and, not least for the reasons stated above, it is widely recognised there is a national housing shortage across all sectors.

We produce a detailed development appraisal in respect of each property acquisition and development project which will assist the Company in assessing the viability of each project. The main factors affecting the viability of a project are the purchase price of the property and the expected cost of renovation or construction. We formulate costings for each development which will take into account all aspects of the construction / renovation, project management, administration, licensing and liaison with Local Authorities and Councils.





THE COMPANY'S STEP BY STEP PROCESS

Step 1: Due diligence

The Company wants to acquire suitable commercial properties and/or Greenfield/Windfall sites in prominent towns or cities. The Company will undertake due diligence on any potential properties.

Step 2: Purchase

Following a satisfactory outcome of the due diligence, the Company will seek to acquire the property via a subsidiary SPV.

Step 3: Development

Commercial properties will be converted into residential accommodation using permitted development rights where possible, or the equivalent full planning requirements. It is envisaged that the residential accommodation will usually comprise a mix of studios and self-contained flats. The Greenfield land and Windfall sites will comprise a mix of houses, flats and studios dependent upon on location and local needs. The Company will also work closely with Housing Associations and Local Authority housing departments on appropriate projects and can, in some cases, benefit from their collaboration with planning departments.

Step 4: Marketing, selling or letting and refinancing

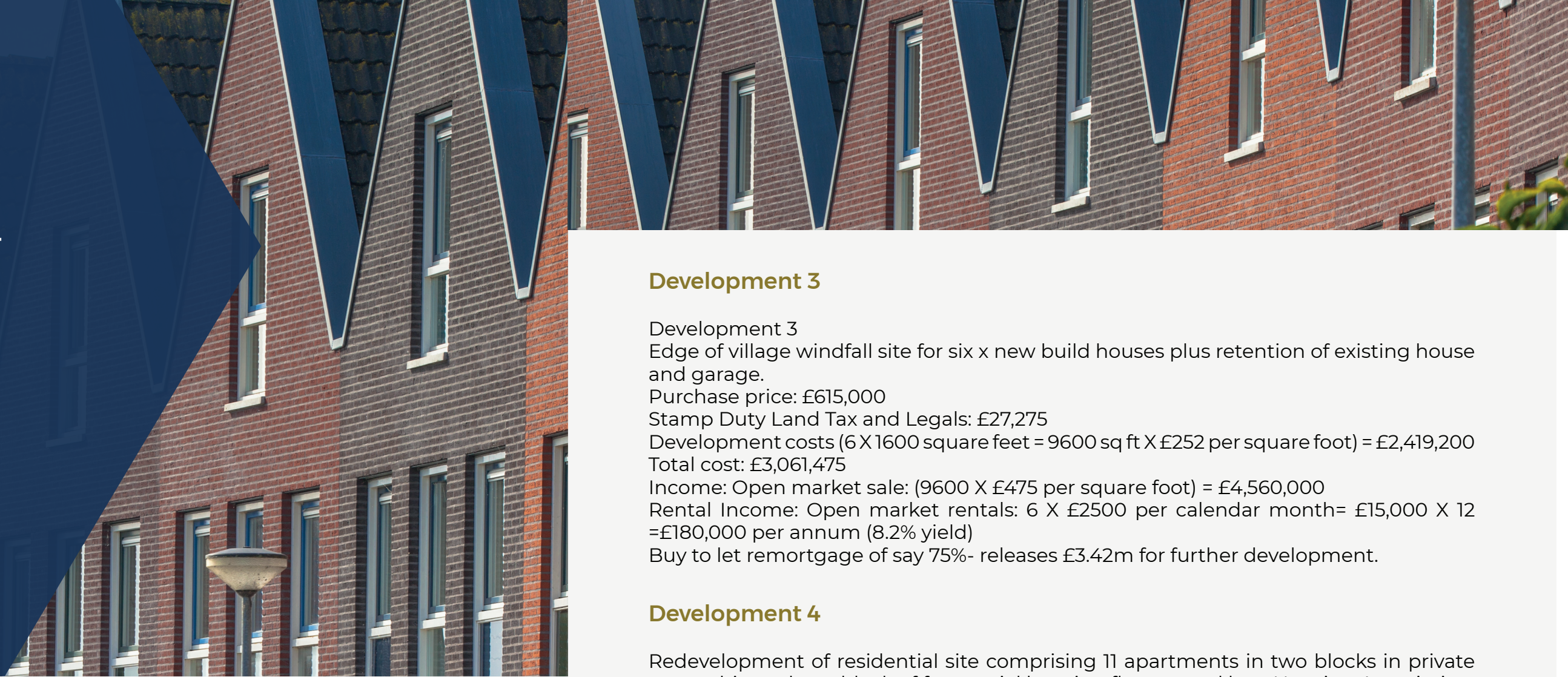
Upon completion of the renovation of a property into residential accommodation and/or completion of the new build units, the Company will liaise with private and Housing Associations/Council letting contacts in order to secure lettings and manage the studios and flats. If deemed financially expedient, the Company will seek to refinance the debt associated with the development with a bank or similar institution so that Loan Note holders' funds can be re deployed as more speculative Company capital to secure other sites or projects.

Pipeline Projects

Riverstone has provided four proposed developments below that that are being considered at the time of writing. All development projects are, in the opinion of the Directors 'by their nature, unique'.



DEVELOPMENT PIPELINE



Development 1

Greenfield garden land plot of 0.45 acres (approx.) with current planning permission for two large, detached houses of 2300 sq ft each. Located to the rear of a listed Country House.

Purchase price: £800,000

Stamp Duty Land Tax & Legals: £58,000

Development Costs: £248 per square foot x 4600 square feet = £1,140,800

Total Development Costs: £1,998,800

Income: Open Market sale £2,700,000 (4600 sq ft @ £587 per square foot)

Development 2

Greenfield garden land plot of 1.2 acres (approx.) with current planning permission for two large detached houses of 2100 sq ft each plus replacement dwelling also of 2100 sq ft.

Purchase Price: £1,000,000

Stamp Duty Land Tax & Legals: £78,750

Development Costs: £257 per square foot x 6300 square feet = £1,619,100

Total Development Costs: £2,697,850

Income: Open Market Sale £3,750,000 (6300 sq ft @ £595 per square foot)

Development 3

Development 3

Edge of village windfall site for six x new build houses plus retention of existing house and garage.

Purchase price: £615,000

Stamp Duty Land Tax and Legals: £27,275

Development costs (6 X 1600 square feet = 9600 sq ft X £252 per square foot) = £2,419,200

Total cost: £3,061,475

Income: Open market sale: (9600 X £475 per square foot) = £4,560,000

Rental Income: Open market rentals: 6 X £2500 per calendar month = £15,000 X 12 = £180,000 per annum (8.2% yield)

Buy to let remortgage of say 75%- releases £3.42m for further development.

Development 4

Redevelopment of residential site comprising 11 apartments in two blocks in private ownership and one block of four social housing flats owned by a Housing Association. The proposed development involves working closely with the Housing Association (as the potential exit route) to create 35 new build apartments over 8 storey's with an additional 4900 square foot of commercial employment space across two levels at ground and basement.

Purchase price: £5,673,750 for privately owned blocks (including Stamp Duty Land Tax and Legals)

Value of Housing Association Block: £1,800,000

Development costs: residential areas 30,000 square foot @ £180 per square foot = £5,400,000 Commercial areas 4,900 square foot @ £130 per square foot = £637,000

Total costs excluding value of HA block: £11,710,750

Value of developed site at completion based on residential resale values of £890 per square foot and commercial resale values of £350 per square foot.

Thus: Residential: 30,000 square feet @ £890 per square foot = £26,700,000 Commercial: 4,900 square feet @ £350 per square foot = £1,715,000

Total site value at completion: £28,415,000

Land Value to Housing Association with Planning Permission pre development @ 35% of projected completion value = £9,945,250

less value of HA land pre development £1,800,000 = £8,145,250

less original purchase price £5,673,750

PROFIT on Land Sale to Housing Association = £2,471,500

GENERAL INFORMATION

Statutory Information

The Company was incorporated with the name Riverstone Estates Plc and issued with the company number 12804440. The principal legislation under which the Company operates is the Companies Act 2006. The liability of members of the Company is limited by shares.

Registered Address:	11 Staple Inn, London, WC1V 7QH
Company Secretary:	MH Secretaries Limited
Accountant:	Geppert & Co
Auditor:	Alwyns LLP
Solicitor:	Marriott Harrison LLP

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