

RETAIL REPORT

**474 OXFORD ROAD
READING**

As Requested by

Kennet Properties

Prepared by Fiona Brownfoot MRICS

1st June 2023

INDEX

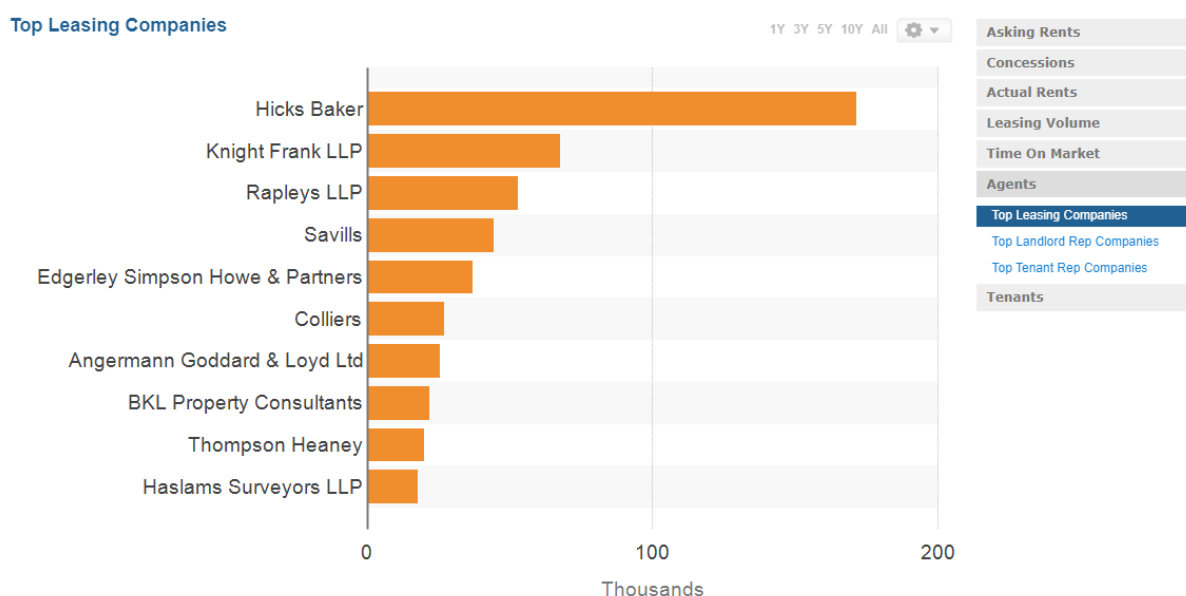
- 1. Credentials**
- 2. Retail Sector**
- 3. Reading Retail Market**
- 4. Retail Demand**
- 5. Marketing**
- 6. Conclusion**

Appendix 1 – Marketing Details

Appendix 2 – Photo of board on building

1.0 CREDENTIALS

- 1.1 I have been a Partner in charge of the Retail and Leisure Department at Hicks Baker for the last 23 years and have lived and worked in the Reading area for the last 35 years.
- 1.2 According to CoStar, over the last 5 years we have let more retail property in the greater Reading area than any other agent.



- 1.3 We continue to be the agents acting for the (new) owners of Broad Street Mall shopping centre in addition to acting for many funds, property companies and private landlords, and are currently marketing 48 retail units in the greater Reading area.
- 1.4 We keep quarterly statistics on the availability and vacancy rates for the town centre, together with completed transactions and these figures are published along with a short market commentary to stakeholders within the town.
- 1.5 I therefore feel suitably qualified to comment on the state of the retail market, and specifically the demand for retail space.

2.0 RETAIL SECTOR

- 2.1 Since March 2020, the retail market has obviously experienced unique conditions, and the lasting legacy is yet to be fully established however there is consensus amongst market commentators on one aspect.....that there is too much retail space in the UK. This was the case even prior to 2020, and the situation has merely been reinforced by the impact of the pandemic.
- 2.2. The most impactful trend over the last 5+ years is in changing consumer habits both in where disposable income is spent and what its spent on. The trend on the latter is for money to be spent less on tangible goods and more on experiences.

- 2.3 Another trend which has been substantially accelerated, and will exceed all previous predictions, is online spending. The proportion of retail sales that are made online has increased from its standard level of 27% pre-pandemic to a new normal of 32% , though down from the dizzying heights of 37% seen in the midst of various lockdowns.
- 2.4 Currently the retail market is suffering as a result of adverse economic factors, with cautious consumer spending significantly affecting operators' appetite to take the risk involved in committing to the cost, both of set up and ongoing occupation, of physical units.
- 2.5 Markets and conditions are cyclical and the current situation will change but it is likely to remain in this state for the next 2-3 years.

3.0 READING RETAIL MARKET

- 3.1 The vacancy rate for the town centre stood at 11.5% in Q4 2019 and has increased to 15.13% at the end of Q1 2023.

Over the course of the last 5 years the lowest rate was 8.71% (Q3 2017) and previous highest was 13.06% (Q4 2018).

According to the British Retail Consortium and the Local Data Company the figure for the UK is 14.0% the highest it's been since 2015.

- 3.2 Following the dramatic structural change in the retail world which has bitten hard in the last few years, like many retail locations, Reading's current stock exceeds demand and there are many units which have now been vacant for 3+ years.
- 3.3 Take up in the town centre in last 6 years has been as follows:-

2017	38
2018	21
2019	12
2020	11
2021	21
2022	33

4.0 RETAIL DEMAND

- 4.1 Operators are only seeking to take sites which they can be certain will generate the level of income they require – therefore unproven pitches or units which don't 'tick all the boxes' will not be considered.

The essential elements that need to be met for out of town units are: -

- **prominence** to cars / footfall
- **parking**
- **proximity** to other retailers / attractions
- **price**

- 4.2 Existing commercial tenants in this section of Oxford Road are almost exclusively food operators – either hot food takeaway or convenience / speciality food. Therefore, demand, if there was any, would be likely to come from these type however this sector have not been considered as they would adversely impact on the ‘quiet enjoyment’ of the residential tenants.

5.0 MARKETING

- 5.1 The property was put on the market in July 2022 (see particulars in the Appendices) and the particulars were circulated to all known requirements and was also circulated to all retail agents via Perfect Information Property and also uploaded to CoStar; Rightmove and EG Property Link and our own web site, and a board was placed on the property (see appendices)
- 5.2 During that time, the only viewing to take place was with Tariq Halal Butchers who subsequently decided to take other premises in Oxford Road as they considered that 474 was too far away from the core retail pitch, which is concentrated around the Tesco superstore. This location also provides the only off-street parking for Oxford Road.

6.0 CONCLUSION

- 6.1 The property has been widely marketed and has been realistically ‘priced’ at a rent of £24,000 (£17.74 psf). The lack of enquiries and the total absence of an offer substantiates that there is very little demand for a unit in this location and therefore it is highly unlikely to let.
- 6.2 A boarded up unit is obviously an unattractive element in any street and therefore a change of use to residential would at least add a level of activity and be visually more attractive.

For further information contact:

Fiona Brownfoot, MRICS
Director - Retail and Leisure, Hicks Baker
01189 557083
f.brownfoot@hicksbaker.co.uk

APPENDIX 1



TO LET



Reading
474 Oxford Road
RG30 1HJ

£24,000 p.a.

- Newly built retail unit
- Located on busy A329
- Good street visibility
- Double frontage
- NO restaurant or hot food takeaway

INFORMATION

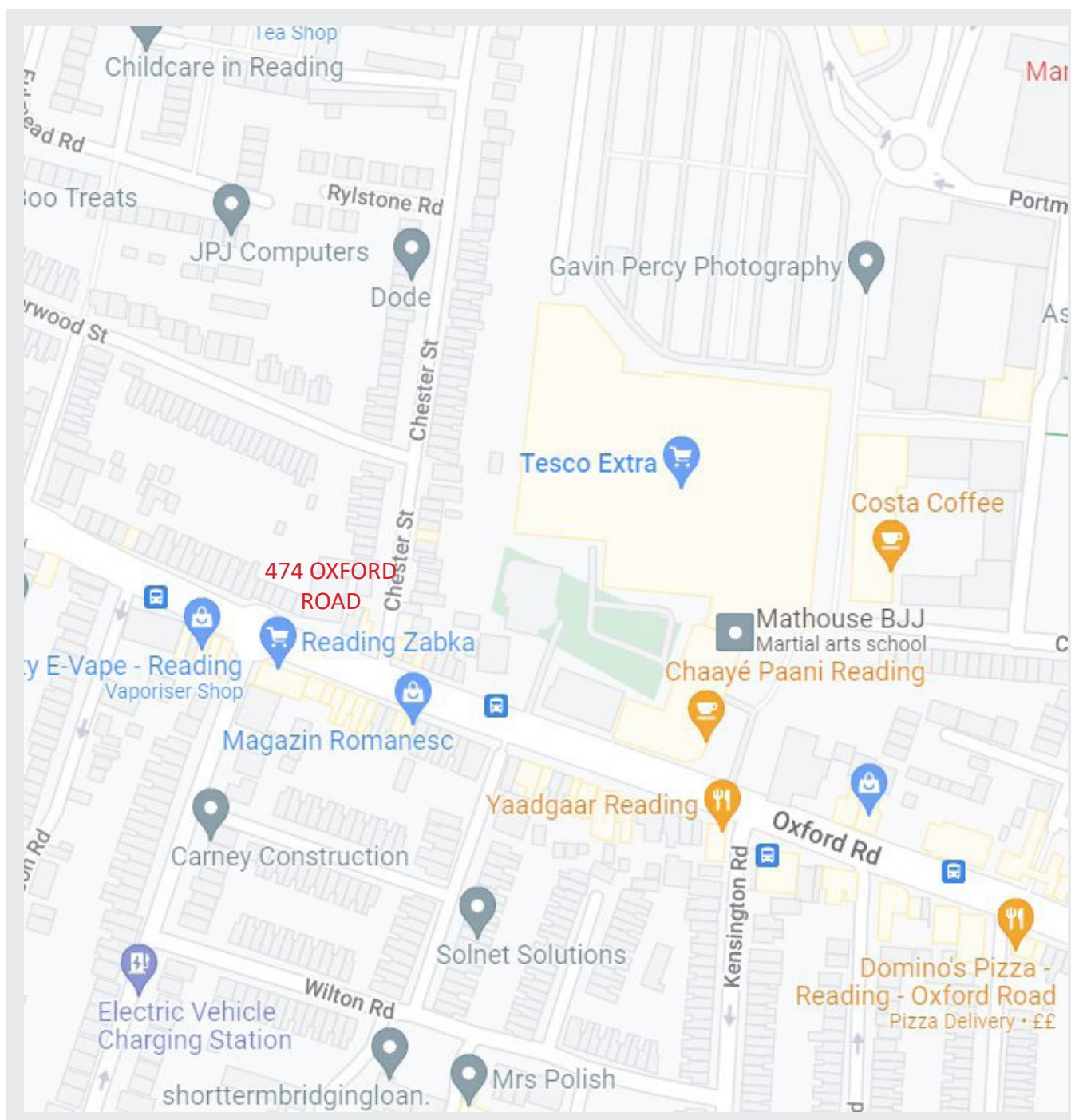
TENURE	Leasehold
TERM	New lease
RATEABLE VALUE	TBA on completion of building works
VAT	VAT is NOT payable
EPC	TBA
PLANNING USE	Class E. No restaurant or hot food takeaway

	Size (sq ft)	Rent (p.a.)*	Service charge (p.a.)	Insurance (p.a.)	Rates payable (p.a.)**	Total (p.a.)
Ground Floor	1,353	£24,000	TBC	TBC	TBA	

** Tenants are advised to make their own enquiries and may benefit from rates relief. Current rateable values below £110,000 will benefit from a 50% reduction until March 2023.

For more information please contact **Hicks Baker**

0118 959 6144 info@hicksbaker.co.uk



Date of publication: July 2022

Code for Lease Business Premises

We strongly recommend you seek professional advice from a qualified surveyor, solicitor or licensed conveyancer before agreeing or signing a business tenancy agreement. The code is available through professional institutions and trade associations or through the website. [Click here](#)

Misrepresentations Act 1967

Hicks Baker for themselves and for the vendors or lessors of this property, whose agents they are give, notice that: 1. The particulars are set out as a general outline only for the guidance of intended purchasers or lessees and do not constitute nor constitute part of an offer or contract. 2. All descriptions, dimensions, reference to condition and necessary permissions for use of occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them. 3. No person in the employment of Hicks Baker has any authority to make or give any representation or warranty whatsoever in relation to this property. Unless otherwise stated the terms exclude VAT.

Key contact

Fiona Brownfoot MRICS

f.brownfoot@hicksbaker.co.uk

+44 (0) 118 955 7083

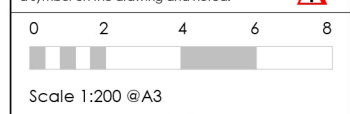


NOTES:
CDM 2015 : DESIGNERS NOTES ON SIGNIFICANT RESIDUAL RISKS

In preparing this design Hester Architects have attempted to avoid using materials and techniques which could cause future hazards whilst constructing, using, maintaining or de-commissioning the building

The following risks could not be designed out and should be carefully monitored on site during the construction period and during any future maintenance of the structure.
These notes relate solely to information shown on this drawing. Only significant risks which are considered to be unusual, or unlikely to be obvious to a competent contractor or other designer will be highlighted. This information is subject to revision as the design develops.

Particularly hazardous areas are highlighted with a symbol on the drawing and noted.



I	20Oct17	Amended following planner feedback.
H	11Apr17	Amended following planner feedback. Incl. floor plans reduced: shop front revised to show stall risers
G	8Dec16	Block A amended following consultant feedback
F	29Nov16	Additional annotation to plans
E	20Oct16	Amended to increase size and arrangement of retail
D	20Jul16	Amended following Planners feedback
C	05Feb16	Amended Red line boundary. Amended reduction in schedule
B	14Dec15	Design progression
A	10Dec15	Design progression
		Bay window/access addition
		New secondary entrance & bin arrangement
		Bay window addition
		Bin store relocated
		Dis entrance relocated
Revision	Date	Notes

This document is the Copyright work of hester architects ltd. unless formally assigned in writing.



2 Drayton House Court Dorchester Road Drayton St. Leonard Oxfordshire. OX10 7BG T: 01865 - 893 900 F: 01865 - 893 901 E: mail@hesterarchitects.co.uk W: www.hesterarchitects.co.uk

Schedule - Ground Floor				
Number	Type	Area	Beds	Persons
A1	Flat	67 m ²	2	3
A2 (DIS)	Flat	55 m ²	1	2
Private: 2		122 m ²	3	5
Retail	Retail	126 m ²		

PLANNING		
Project 470-478 Oxford Road Reading		
For Murli Bhatti		
Drawing Title Proposed Ground Floor Plan		
Scale 1 : 200 @ A3		
Drawn by JS	Date 20 Oct 2017	Checked PB
Job No. 15030	Drawing No. 02 - 100	Rev. I

APPENDIX 2



COMMERCIAL UNIT
TO LET
1,353 SQ FT
NO HOT FOOD/
TAKEAWAY
Hicks Baker
COMMERCIAL PROPERTY
0118 959 6144
hicksbaker.co.uk