

Non-Technical Summary

- ES 1 This non-technical summary is to be read in conjunction with the main report, general assumptions, and definitions included in it.
- ES 2 AspinallVerdi has been instructed by Shall Do Crown St Ltd (hereafter referred to as the Applicant) to undertake a viability assessment of the proposed development at 12-18 Crown Street, Reading, RG1 2SE.
- ES 3 The application seeks full planning permission for change of use from 44no. serviced apartments to housing for market sale (use class) C1 to C3. The proposals also include a layout reconfiguration on the 4th floor.
- ES 4 Certain S106/S278 obligations will be expected for the development based on planning policy. These include the delivery of a certain proportion of the units on affordable tenures or an off-site contribution towards affordable housing provision. The purpose of this report is to provide an assessment of the level of planning policy contributions that the development can viably support. Paragraph: 002 Reference ID: 10-002-20190509 of the PPG (2019) states that:
- ‘Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable...’*
- ES 5 We have run financial appraisals using Argus Developer software to determine the viable level of affordable housing the proposed development can support. We have set out our assumptions of costs and values in the following sections, along with the evidence which informs these inputs. These are summarised in Table 1-1.

Table 1-1 – AVL Appraisal Inputs

Item	AVL Assumption
Values	
Market Value	£11,822,000
Ground Rents	£337,673
Costs	
Residential Build Cost	£1,350,000
Contingency	5.0%
Professional Fees	8%
Marketing	1.0%

Item	AVL Assumption
Sales Agent Fee	1.0%
Sales Legal Fee	0.5%
S106 Contributions	£0
Land Acquisition – Agent & Legal Fees	1.0% Agent 0.50% Legal
Finance Rate	6.75%

Source: AVL, 2020.

- ES 6 In addition to the inputs above, our analysis relies on an Existing use value as our Benchmark Land Value (BLV) of £7,300,000.

Recommendations

- ES 7 At 100% market housing, our appraisal for the scheme generates a deficit of £310,229. This deficit means that the scheme cannot viably support any affordable housing.
- ES 8 We trust that our report is in a format suitable for your purposes and that it provides all the relevant information. Should you have any questions or queries in respect of the scheme or the contents of this report, please do not hesitate to contact Parm Dosanjh, Director or Charles Youngs, Consultant.