

## Viability Appraisal

for conversion of commercial unit at 474 Oxford, Reading, RG30 1EF to 2no 2-bedroom flats

| Viability Appraisal                        |                 |
|--------------------------------------------|-----------------|
| <b>REVENUE</b>                             |                 |
| Gross Development Value (sales valuations) | £425,000        |
| <b>Total Revenue</b>                       | <b>£425,000</b> |
| <b>COSTS</b>                               |                 |
| Current Value                              | £205,000        |
| Development Costs                          | £250,756        |
| Planning Costs                             | £12,000         |
| Finance Costs                              | £23,387         |
| CIL                                        | tbc             |
| <b>Total Costs</b>                         | <b>£491,143</b> |
| <b>TOTAL</b>                               |                 |
| Owners Profit/Loss                         | -£66,143        |
| Owners Profit Percentage                   | 0%              |
| <b>Affordable Housing Contribution</b>     | <b>£0.00</b>    |

### Revenue

#### 1. Gross Development Value

- Sales figures derived from valuation provided by Adams Estates and Prospect. This appraisal adopts a median figure between the two valuations.

### Costs

#### 1. Current Value

- Current Value derived from an average figure between valuation carried out by Fiona Brownfoot of Hicks Baker and Caine Springer from Adams Estates. Hicks Baker have been marketing the unit since August 2022.

#### 2. Development Costs

- The costs to complete the conversion. Current BCIS data suggests the cost for conversion to be £1840-£2040 per sqm. This appraisal adopts the lower figure of £1840 in order to calculate the development cost. This has been multiplied by the GIA of 139 sqm for the proposed dwellings. \*\*

#### 3. Planning Costs

- This figure represents fees paid to consultants, architects, planners etc

#### 4. Finance Costs

- Interest costs calculated at 5% per annum with a view that the development will take one full year to complete.

This project is unviable and as such no affordable housing contribution is applicable.

\*\* As the project is unviable, we opted to exclude certain costs. These include marketing costs, incoming services, bin stores and cycle stores. We reserve the right to add these costs as required.

## Sales Valuations:



10<sup>th</sup> February 2023

**Mr Simran Luthra**  
**102 Elm Road**  
**Reading**  
**Berkshire**  
**RG6 5TD**

Dear Simran

**Re: 474 Oxford Road, Reading, Berkshire, RG30 1EF**

Thank you for allowing me the opportunity to inspect the plans of the above property. As promised, I am writing to confirm the marketing strategy which we consider to be most effective for your property. Here's a quick viewpoint on the essential information you need to know:

We prepare thoroughly for this valuation, taking into account recent comparable sales, current availability along with any local data that can influence the asking price. Adapting to the market conditions is key and our proud accuracy ratio of asking price to let price is on average within 1%.

**Market Valuation: £200,000 per flat**

**Commission: 1% + VAT**

Once built, we're confident we would be able to sell the flats for the market valuation price. We have plenty of people looking for flats in the area and we would aim to achieve a quick sale within 12 weeks from beginning of marketing to a completion date.

We would be delighted to act on your behalf and genuinely believe we provide the most comprehensive, pro-active and successful service in the area, with myself and your dedicated sales progressor at the forefront of the sale of your property from start to finish.



10<sup>th</sup> March 2022

Prestige Property Ltd



Prospect Estate Agency  
24 King Street  
Reading  
Berkshire  
RG1 2HE

Prestige Property LTD  
102 Elm Road  
Earley  
Reading  
RG6 5TD

9th February 2023

Our Ref: ROS/RES230372

Dear Sir/Madam

**RE: The Sale And Marketing Of Two Apartments At 474 Oxford Road**

It was great to meet you both today and thank you for sharing the proposed plans for the development of the above address.

Taking all factors into consideration, my recommended asking price would be £225,000 per unit. I am confident that our extensive marketing and proactive approach will generate a high level of enquires and enable us to achieve the maximum possible price for your property, in the most suitable timeframe.

Finally, I would like to stress how keen and confident I am of not only achieving a successful sale, but also in delivering an excellent service. I have made a diary note to keep in touch to discuss things further and if you have any question in the meantime, please do not hesitate to contact me.

Yours sincerely

**Ross Hobbs**  
**Senior Branch Manager**  
**Prospect of Reading**

**0118 955 9710**  
**rosshobbs@prospect.co.uk**  
**<https://www.prospect.co.uk/>**

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## Current Valuation:



**RE: 474 Oxford Road, Reading, RG30 1EF**



Fiona Brownfoot MRICS <[f.brownfoot@hicksbaker.co.uk](mailto:f.brownfoot@hicksbaker.co.uk)>

Tuesday, 28 February 2023 at 21:06

To: Simran Luthra; Cc: Richard Duncan MRICS

You replied to this message on 28/02/2023, 21:32.

Simran

Based on the limited market that we can let this unit to and the lack of demand from suitable occupiers, I am of the view that the only way to potentially attract a tenant is by offering the unit at a lower rent of say £18,000.

Therefore on the assumption that the unit could be let at this level to a tenant for a term of 5+ years, and that the tenant provided a level of security either through being an established operator or providing a rent deposit, then I consider that the investment market would view the risk profile as warranting a yield of 12% which would translate to a value of £150,000.

It is possible that a value slightly in excess of this might be able to be secured from an owner occupier but that is likely to be an even more reduced sector of the market.

I trust this is satisfactory for your purpose.

Regards

Fiona

**Fiona Brownfoot MRICS**

Director (Retail / Restaurant / Leisure)

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[CLICK HERE](#) for latest Business Space Market Commentary



10<sup>th</sup> February 2023

**Mr Simran Luthra**  
**102 Elm Road**  
**Reading**  
**Berkshire**  
**RG6 5TD**

Dear Simran

**Re: Commercial Unit, 474 Oxford Road, Reading, Berkshire, RG30 1EF**

Thank you for allowing me the opportunity to inspect the above property. As promised, I am writing to confirm the marketing strategy which we consider to be most effective for your property. Here's a quick viewpoint on the essential information you need to know:

We prepare thoroughly for this valuation, taking into account recent comparable sales, current availability along with any local data that can influence the asking price. Adapting to the market conditions is key and our proud accuracy ratio of asking price to let price is on average within 1%.

**Market Valuation: £260,000**

**Commission: 1% + VAT**

We're confident the commercial unit would sell for the market valuation price. We have plenty of people looking for commercial units in the area and we would aim to achieve a quick sale within 12 weeks from beginning of marketing to a competition date.

We would be delighted to act on your behalf and genuinely believe we provide the most comprehensive, pro-active and successful service in the area, with myself and your dedicated sales progressor at the forefront of the sale of your property from start to finish.

