

ELDER

GREYFRIARS HOUSE
20 - 30 GREYFRIARS ROAD , READING

SOCIO ECONOMIC STATEMENT

SAVILLS



ECONOMICS BENEFITS SUMMARY

20-30 Greyfriars Rd, Reading

Savills have been commissioned by Elder to undertake an assessment of the economic benefits of the Proposed Development at 20-30 Greyfriars Road, Reading.

The Proposed Development is located centrally within Reading. The economic benefits presented in this infographic are measured to the local authority area which is Reading.

The operational phase benefits assume full occupation of the completed scheme.



The analysis and conclusions presented in this infographic assume that there are no major macro-economic shocks to the UK economy. On-going issues include the war in Ukraine and crises in the Middle East. The potential impacts of such external factors means these figures should be kept under review into the future.

Out estimates of the economic benefits are subject to uncertainties. The figures presented are based on our understanding of the scheme and a range of assumptions. Our assumptions and calculations are based on good practice, guidance and available data. We estimate that actual impacts are likely to be in a range of +/-20% of figures given.

The Proposed Development

The Proposed Development comprises the demolition of the existing office building known as Greyfriars House and construction of 266 co-living units of which 30% would be affordable discounted market rental units. The proposals also comprise associated communal amenity facilities, cycle parking and a co-working space for residents.

It is understood that the existing long-standing tenants of Greyfriars House will not be renewing their lease. Consequently, the analysis presented in this infographic treats the property as vacant.

The Proposed Development:



Source: Darling Associates Architects 2024

ECONOMIC BENEFITS

The Proposed Development would generate significant economic benefits during both the construction phase and once operational.

The proposal's construction phase is expected to support around 90 (gross) on-site construction jobs per annum for the duration of the construction period. Around 50 of these jobs are expected to be taken by residents of Reading.

Once operational the Proposed Development is expected to generate the equivalent of 55 resident Homeworkers (FTE). The residents would also generate approximately £1.5 million in new residential expenditure per year. This would support an estimated 10 additional* jobs.

CONSTRUCTION PHASE

100 gross onsite jobs

construction jobs supported on average during the 2-year construction period.

50 net additional jobs

(on/off-site jobs) are expected to be generated directly and indirectly for Reading residents per annum during the construction period, considering supply chain effects and displacement effects.

OPERATIONAL PHASE

55 homeworkers

are expected to be accommodated in the 266 new residential units, based on regional homeworking patterns.

£1.5m local expenditure

newly introduced into Reading's retail and food and beverage sectors per annum.

10 new retail and F&B jobs

are expected to be supported by the new residential expenditure generated once the Proposed Development is operational.

85 net additional operational jobs

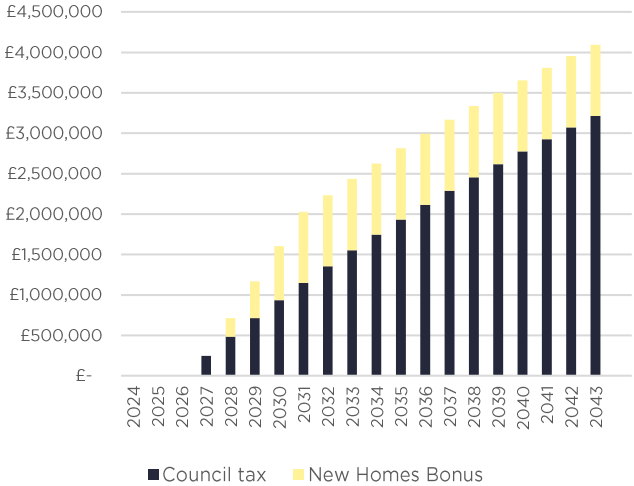
are expected to be supported for Residents of Reading. This includes onsite jobs (homeworkers) and offsite indirect and induced jobs generated through residential expenditure and multiplier effects.

£4.1m in GVA

associated with the on-site operational jobs (homeworkers).

PUBLIC SECTOR REVENUES

20 Year Net Additional Public Sector Revenues (NPV; Cumulative)



Reading Council would also benefit from additional local government revenues generated by the scheme including New Homes Bonus (NHB) and council tax.

New Homes Bonus (NHB):

£1.1m

Council Tax Income:

£270k

PER ANNUM

Cumulative Public Sector Net Income (NPV)**:

£4.1m

OVER
20 YEARS

SOCIAL VALUE SUMMARY

20-30 Greyfriars Rd, Reading

Social Value includes the additional social, economic and environmental benefits that can be secured over and above core requirements.

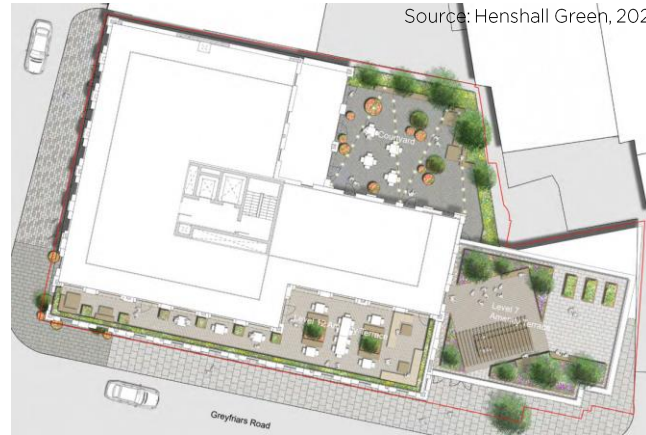
The Proposed Development at 20-30 Greyfriars Road, is anticipated to generate significant social value benefits.



SKILLS AND EMPLOYMENT

The Proposed Development would benefit the local community by delivering training opportunities and work placements for young people during the construction phase (based on National Skills Academy for Construction benchmarks). This will create social value by improving the life-time earning potential of young people and improving labour force productivity.

WORK PLACEMENT	
£38k	Estimated social value of non-paid work experience placements (26) for students from schools and colleges delivered during the construction period
APPRENTICESHIP	
£113k	Estimated social value of apprenticeships (43) delivered during the construction period
CONSTRUCTION CAREER EVENTS	
£35k	Estimated total social value of Construction Careers Information, Advice and Guidance Events (14 events)
SKILL AND QUALIFICATION GAINED	
£129k	Estimated total social value of Qualifications achieved (equiv. NVQ2 or above) (27 workers).

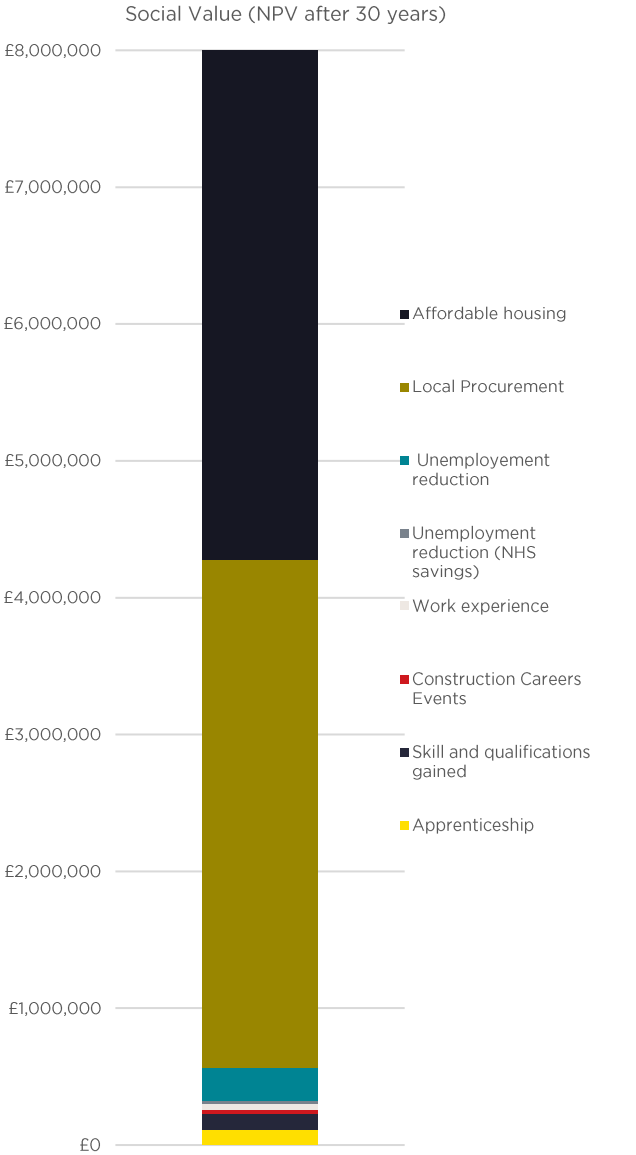


COMMUNITY BENEFITS

There are a range of other community benefits associated with the construction phase of the Proposed Development. These include; employing previously unemployed people; local procurement of construction services and the delivery of affordable housing.

UNEMPLOYMENT REDUCTION	
£250k	Estimated social value of hiring those who are not in employment, education, or training (NEETs) during the construction period
NHS SAVINGS FROM UNEMPLOYMENT REDUCTION	
£30k	Estimated NHS saving assuming that expenditure on unemployed person is double the average NHS expenditure during the construction period
SUPPORTING LOCAL BUSINESSES	
£3.9m	Estimated total value of local procurement during the construction period assuming a fraction of all monies spent locally
AFFORDABLE HOUSING PROVISION	
£230k PER ANNUM	Estimated rental savings following the dwelling mix of affordable housing when compared to private market rents.

CUMULATIVE SOCIAL VALUE: **£8m*** OVER 30 YEARS



Glossary and Definitions

FTE	Full time equivalent
GIA	Gross internal area
GVA	Gross value added
HCA	Housing and Communities Agency
RBC	Reading Borough Council
EPC	Energy Performance Certificates
LHC	Local Housing Company
NHB	New Homes Bonus

Assumptions and Caveats

The analysis and conclusions presented in this infographic assume that there are no major macro-economic shocks to the UK economy. On-going issues include the war in Ukraine and crises in the Middle East. The potential impacts of such external factors means these figures should be kept under review into the future.

Out estimates of the economic benefits are subject to uncertainties. The figures presented are based on our understanding of the scheme and a range of assumptions. Our assumptions and calculations are based on good practice, guidance and available data. We estimate that actual impacts are likely to be in a range of +/-20% of figures given.

Skills and Employment

The construction of the Proposed Development would have a positive social value impact delivering multiple benefits to the local community. An assumption can be made regarding the number of construction workers within the proposed development who have been previously unemployed (11 per annum) based on the Construction Industry Training Board forecasts. Associated NHS savings with returning to work are estimated based on the Oxford Economics findings from Cost-benefit analysis for the Department for Work and Pensions (2010). The scheme would also deliver training opportunities for young people. The number of apprenticeships (10) has been estimated based on benchmarks from the National Skills Academy for Construction. The social value of employment and training opportunities is estimated based on the 'National Themes Output Measures (TOMs) proxies (2021)'.

Community Benefits

The scheme would deliver multiple community benefits including provision of high-quality green square which will provide external amenity space for users, including additional seating, to act as an informal meeting space for users of the Site. Additionally, local procurement during the construction will support local businesses ensuring that the local community will benefit from the investment in the area. The estimate of local procurement (10%) is based on best practice being achieved in comparable areas. The local community would benefit also from Construction Careers Information, Advice & Guidance Events held in the local educational establishments and qualifications achieved during the construction of the proposed development.

NHB, NPV

The method for calculating NHB is likely to change from 2022/2023. Consequently, the estimate for NHB is indicative. **Net Present Value (NPV) discounted at Treasury Green Book rate of 3.5% pa starting 2025. *** This is a conservative approach showing the total net additional business rates assuming that the vacant retail unit is still paying business rates. This figure is total business rates and only a proportion of this would be retained by the Local Authority.

Term	Definition
Leakage	'The proportion of output that benefit those outside of the intervention's target area or group'.
Displacement	'The proportion of intervention outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area'.
Multiplier effects	'Further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases'.
On-site jobs	Those employed on-site. Equivalent to gross direct jobs in HCA Additionality Guide (2016)
Off-site jobs	The sum of indirect effects (multiplier effects and displacement) affecting off-site jobs linked to the employment on-site
Gross Value Added	A measure of the value of goods and services.

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