

ET Planning

Financial Viability Assessment

Client:

Liana Properties UK LTD

Belle Vue House Hotel

Belle Vue House Hotel, 2 Tilehurst Road, Reading RG1 7TN

Change of use and conversion from a hotel (use class C1) into 7 x 1 bed flats (use class C3) together with associated internal works to listed building and external site works including 3 x car parking spaces and 8 x cycle parking spaces and soft landscaping

Christopher Cain **BSc(Hons) MRICS**

www.etplanning.co.uk

CIL | Enforcement | Land Promotion | Planning | Sequential Tests | Viability

Contents

CONTENTS..... 0

1. INTRODUCTION 1

2. DISCLAIMER..... 3

3. NON-TECHNICAL SUMMARY 4

4. POLICY BACKGROUND.....7

4. SITE DESCRIPTION AND PROPOSAL..... 7

5. APPRAISAL INPUTS 11

6. CONCLUSION 19

7. SENSITIVITY TESTING 20

1. Introduction

We have been instructed by Liana Properties UK LTD ('the applicant') to provide financial viability advice, in relation to a planning application ('the application'), submitted to the Reading Borough Council ('the Council'), for change of use and conversion from a hotel (use class C1) into 7 x 1 bed flats (use class C3) together with associated internal works to listed building and external site works including 3 x car parking spaces and 8 x cycle parking spaces and soft landscaping to the Belle Vue House Hotel, 2 Tilehurst Road, Reading RG1 7TN. A location plan is contained in Appendix 1.

1.1 According to the provisions of policy H3 outlined in the Council's adopted Local Plan, on sites of less than ten dwellings, financial contribution to off-site affordable housing is required, rather than an on-site provision. On sites of 1-4 dwellings, this will equate to 10% of the development, and on sites of 5-9 dwellings, this will equate to 20%. For sites of 5-9 dwellings, where the contribution required by policy H3 is 20%, this will equate to 10% of the GDV of the development.

1.2 Paragraph 58 of the National Planning Policy Framework (NPPF) and Planning Policy Guidance: Viability (PPG: Viability) allows developers to subject their proposed developments to submit a viability assessment in

such circumstances where contributions jeopardises the scheme non viability grounds.

- 1.3 Furthermore, the Council outlines the circumstances and method in which a Financial Viability Assessment can be undertaken in Section 6 of the Affordable Housing SPD (May 2021).
- 1.4 As such, this report examines the development costs of the proposed scheme in terms of the quantum of affordable housing contribution that may be viably delivered and report the findings and conclusions therein.

2. Disclaimer

- 2.1 The following does not provide formal valuation advice. This assessment and its findings are intended purely for the purposes of providing Reading Borough Council with an opinion on, the viable level of affordable housing contribution that can be funded from the proposed development at the Belle Vue House Hotel, 2 Tilehurst Road, Reading, RG1 7TN.
- 2.2 This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of ET Planning; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.
- 2.3 We have been commissioned on a fixed-fee basis, quoted and agreed in advance. We can confirm that there is no performance-based incentive associated with our viability work.
- 2.4 The appraisal has been carried out using Argus Developer, a proprietary real estate valuation software programme, widely used in the development industry. And in doing so, valuation inputs and assumptions made are in line with industry norms.

3. Non-Technical Summary

- 3.1 This assessment has been prepared in accordance with the key principles for carrying out a viability assessment as outlined in Ministry of Housing Communities and Local Government (MHCLG), guidance on Viability (as updated February 2024).
- 3.2 We carried out an investigation into the viability valuation inputs, and in summary, report the following conclusions in so far as each individual assumption as evidenced in the main body of this report.
- 3.3 In accordance with the RICS guidance on viability, we outline the key valuation metrics in the table below.

Valuation Input	Concluded Assumption
Existing Use Value	£ 361,925
Land Owner's Premium	Nil as AUV assessment
Benchmark Land Value (BLV)	£361,925
Gross Development Value (GDV)	£1,179,117
Sales & Marketing Costs	£23,582 (2.0% of GDV)
Legal fees on Disposal	£1,000 per unit.
Base Construction Cost	£684,808 – BCIS £1,285,000 – Cost Plan

Construction Cost Contingency	5% of base construction cost
Finance Rate	8%
Finance Cost	£36,262
Developer's Profit	£206,346 (17.5% of GDV)
Total Development Costs (TDC)	£ 1,154,665
Residual Land Value (RLV) (GDV – TDC)	-£335,547

3.4 To determine the viability of the provision of Affordable Housing at the Belle Vue House Hotel, 2 Tilehurst Road, Reading, RG1 7TN, the total land and development costs (£1,514,665) are deducted from the Gross Development Value (£1,179,117). If there is an identified surplus (after accounting for a suitable level of developer's profit), then this is the financial contribution which can be afforded towards affordable housing provision in the Borough. If the result is negative, as it is in this case (-£335,547) based on BCIS build cost, and (-£1,045,992) based Thornton Firkin's cost plan, then the proposed development cannot be expected to contribute towards Affordable Housing.

- 3.5 Furthermore, we ran a sensitivity analysis, in accordance with PPG: Viability requirements, and even by adopting the most optimistic approach, the scheme remains unviable. We therefore claim that there is no justification to impose an early and/or late-stage review.
- 3.6 Accordingly, this Viability Assessment demonstrates that the scheme can be considered policy compliant without an additional contribution towards the provision of any affordable housing.

Christopher Cain BSc (Hons) MRICS

Senior Surveyor Economics | ET Planning

Head Office: 200 Dukes Ride Crowthorne RG45 6DS

chris.cain@etplanning.co.uk 01344 508048

Derek Clarke MRICS MRTPI

Director of Economics | ET Planning

Head Office: 200 Dukes Ride Crowthorne RG45 6DS

derek.clarke@etplanning.co.uk 01344 508048

Dated 11th February 2025

4. Policy Background

- 4.1 **National Planning Policy** National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.
- 4.2 This National Planning Guidance states that any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability and be proportionate, simple, transparent and publicly available.
- 4.3 In accordance with the above, this assessment follows the key principles for carrying out a viability assessment as outlined in paragraph 58 of the National Planning Policy Framework (NPPF) and the MHCLG guidance on Viability (as updated February 2024).
- 4.4 **Local Planning Policy (Affordable Housing)** As set out in policy H3 outlined in the Council's adopted Local Plan, on sites of less than ten dwellings, financial contribution to off-site affordable housing is required, rather than an on-site provision. On sites of 1-4 dwellings, this will equate to 10% of the development, and on sites of 5-9 dwellings, this will equate

to 20%. Further guidance is contained within The Affordable Housing SPD adopted in March 2021.

- 4.5 The most appropriate way to calculate the contribution is to calculate the Gross Development Value (GDV) of the entire proposed development. The financial contribution will be directly proportionate to the GDV of the scheme assuming it is 100% private sales, as it would be in this case. As the financial contribution required by an Registered Provider to fund one unit is 50% of a unit's market value, the financial contribution equates to 50% of the proportion required under policy. For sites of 5-9 dwellings, where the contribution required by policy H3 is 20%, this will equate to 10% of the GDV of the development. In this instance as the development proposes 7 dwellings, the contribution will be 10% of the Gross Development Value of £1,179,117, which equates to £117,912.

5.0 Site Description and Proposal

- 5.1 The application Site is located at the Bell Vue House Hotel, 2 Tilehurst Road, Reading RG17TN situated north of Tilehurst Road in an area which is primarily residential in character, but with some commercial building in close proximity. It is located circa 0.6 miles from Reading town centre with the wide range of facilities that it offers and circa 1 mile from Reading train station. Reading train station, is a key hub for both local and intercity travel, offering a frequent services to London Paddington, Bristol, Oxford, South Wales, and beyond. The property is also well-placed for access to the M4 (Junctions 11 & 12), which provides links to key cities including London, Bristol, and Cardiff. Heathrow Airport is approximately 30 minutes' drive to the east.
- 5.2 The site comprises of an existing four storey former hotel with grounds to the front and rear which are predominantly hard surfaced. It is a Grade 2 listed building and is located in a conservation area. A location plan is contained in Appendix 1.
- 5.3 The Viability Assessment relates to the proposed conversion of the 18 bedroom hotel into an apartment block comprising of 7no. 1 bed apartments apartments on lower ground, upper ground, first and second floors.

5.4 The Accommodation Schedule for the proposed apartment block on which this assessment has been based on has been provided by the applicant and is set out below for completeness and convenience.

Table 1: Accommodation Schedule (Existing Building)

Unit	Description	Floors	Area m2	Area ft2
Former Hotel	With 18 rooms	LG, UG, FF & SF	353	3799

Table 2: Accommodation Schedule (Proposed Building)

Apartment	Floor	Area m ²	Area ft ²
1	Lower Ground	41.32	445
2	Lower Ground	37.24	401
3	Upper Ground	45.23	487
4	Upper Ground	43.87	472
5	First	42.01	452
6	First	46.59	501
7	Second	41.49	447
Total		297.75	3205

5.5 The document shall not set out bias reasons for approving or refusing the development, it shall evaluate whether a suitable contribution towards affordable housing can be provided, in accordance with the LPA's Local Development Plan as well as the National Planning Policy Guidance (PPG) and Royal Institution of Chartered Surveyors (RICS) Best Practice Guidance.

6.0 Appraisal Inputs

6.1 Benchmark Land Value The latest MHCLG viability guidance (updated September 2019) requires that Benchmark Land Value (BLV) should be based upon Existing Use Value (EUV), allow for a premium to landowners (including equity resulting from those building their own homes) and reflect the implications of abnormal costs; site specific infrastructure costs; and professional site fees.

The MHCLG guidance denotes that “*existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value.*”

This is reaffirmed within the RICS Assessing viability in planning under the National Planning Policy Framework 2023 for England Guidance Note which states within the BLV valuation framework that “*the primary approach is EUV+ (or AUV where appropriate)*”.

6.2 Existing Use Value Existing Use Value In order to properly assess the existing use value of the site, we have considered what the most appropriate method would be for determining the value of the property having considered it’s current use and other pertinent details.

The valuation of a hotel requires a thorough understanding of various factors influencing its value. Traditional methods as prescribed by the Royal Institution of Chartered Surveyors (RICS) include the comparison

method, the income method, and the cost method. The RICS traditional Valuation Methods are set out below.

- 6.4 **Income Method** - As the property is a 18 bed hotel, the industry preferred method for valuing hotel's is the income method. The income method evaluates the property's ability to generate income. This is often the preferred method for hotel valuations due to the income-generating nature of the asset. This approach calculates the Net Operating Income (NOI) and applies an appropriate capitalisation rate (yield) to estimate the property's value.

We are unable to use this method as the hotel is no longer trading, and the current owners who recently purchased the property, have never operated the building as a hotel and therefore do not have the trading records.

- 6.5 **The Cost Method** - The cost method considers the cost of replacing the hotel with a similar one, considering depreciation and obsolescence. This method is often used when the property is new or unique, and there are no comparable transactions.

Have considered this method we do not believe it is an appropriate method as the property is not in our opinion unique nor is it new.

- 6.6 **Comparison Method** - The comparison method involves comparing the subject property with similar properties that have recently been sold or let. Key factors considered include location, size, condition, and trading potential.

Comparable Transactions - We have searched the CoStar database for completed sales and hotels currently on the market and have - filtered the results to include completed transactions within an are extending to Newbury, Reading, Bracknell, Slough, High Wycombe & Maidenhead within the last 4 years.

- 6.7 In summary, we found evidence of 6 completed sale transactions for comparable properties which range from £47,331 per room to £87,500 per room. There is also currently a 31 bed hotel for sale in High Wycombe with an asking price of £69,335 per room. Based on this evidence we have used the median figure of £65,000 per room, which on 18 rooms, this would produce an a EUV of £1,179,117. A copy of the results drawn from our search of the CoStar database is listed in Appendix 2.

A review of the Land Registry title confirmed that the application site, was last sold on February 2024 for a purchase price of £700,000. Whilst this is useful to know this cannot be used to calculate the EUV or AUV.

- 6.8 The property has been vacant for a while and has been occupied by squatters and is in a poor condition and not currently fit for purpose as a hotel. To take this into account we believe that is appropriate that we undertake an AUV, on the basis of a three star hotel factoring in the costs to bring the property to this standard. Having inspected the property Thornton and Firkin have assessed the cost to put the hotel back into good order would cost £340,000.

Utilising the appraisals inputs as set out above we calculate the AUV to be £361,927 as per the Argus appraisal in Appenndix 6.1.

Premium The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development.

6.10 Ministry of Housing, Communities & Local Government (MHCLG) guidance. states that the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. There is no definitive guidance on the level of premium to apply and this is often an arbitrary percentage. In our experience of similar schemes this level of premium can range from 10% - 40%.

6.11 In respect of calclations of BLV for this development we have not added a landowners premium as we have undertaken an AUV calculation not EUV but we would wish to reserve our position on this.

6.12 **Gross Development Value** Gross Development Value (GDV) is an assessment of the value of development. For residential

development, this is the total sales and/or capitalised net rental income from developments.

6.13 Our assessment of the GDV is based on research of the Land Registry database of completed transactions on comparable one bedroom apartments in close proximity to the subject property. Appendix 3 contains a schedule setting out these transactions, and based on this evidence we have assumed that a one bed flat in this location will be worth ££368 per ft2 in the current market producing sales values as follows:

Unit	Description	Area ft2	GDV	GDV per Ft2
1	One Bed	445	£163,760	£368
2	One Bed	401	£145,568	£368
3	One Bed	485	£178,893	£368
4	One Bed	472	£173,696	£368
5	One Bed	452	£166,336	£368
6	One Bed	501	£184,368	£368
7	One Bed	447	£164,496	£368
	Total	3205	£1,179,117	

6.14 Build Costs Assessment The Build Costs of the scheme should be based on evidence which is reflective of local market conditions. For the purpose of this assessment, we have therefore use the BCIS Build Cost Index Jan 2025 rebased for Reading (Appendix 4) for for conversions of this scale. As the building is a listed and is in the conservation area we have used upper quartile rate for conversion on 3 to 5 storey, which this gives a build cost of £1940 m². Based on a floor area of 353 m², this gives a total base build cost of £684,800. This excludes professional fees and contingency, which are accounted for else where in the appraisal.

Cost Plan – The applicant have instructed Thornton Firkin (cost consultant) to prepare a cost plan. This cost plan shows a cost of £1,285,000 which equates to £3640 per m². This excludes professional fees and contingency, which are accounted for else where in the appraisal.

We have run the appraisals based on the both sets of build cost to understand the effect of this change.

6.15 Contingency A contingency of 5% has been included within the development appraisal. This is a market norm assumption and considered reasonable here.

6.16 **Professional Fees** Professional fees of 10% of the base build cost have been assumed. This is a market-norm assumption given the work proposed as part of this development.

6.17 **Site-Specific Infrastructure Costs** We have not been made aware of the need for any site specific infrastructure, therefore we have not included any allowance for this aspect.

6.18 **Sales & Marketing (including Legal Fees)** An allowance of 2.0% has been included for sales and marketing costs associated for any future sale. Additionally, we have incorporated £1,000 per unit for legal fees for the sale of the completed apartments.

6.19 **Developer Contributions – CIL** We have assumed for the purposes of the appraisals that CIL will be payable, as we have not be instructed by the applicant to consider whether the property benefits from any CIL exemptions. This will be determined by the Council post planning.

We calculate that the CIL levy (if payable) would be £64,925 in respect of the residential conversion at a rate of £183.96 per m². This figure would need to be confirmed by the Council.

- 6.20 **Development Timings & Finance Costs** The interest rate is the cost of funds to the scheme developer; it is applied to the net cumulative negative cash balance each month on the scheme as a whole.
- 6.21 In terms of project timings, we anticipate a pre-commencement period of 3 months. Construction is projected to proceed over an 6 months with sales expected to be completed within 2 months after build completion.
- 6.22 Applying a 'market-norm' interest rate figure of 8% over a period of 11 months months results in a total development finance cost of £36,262.
- 6.23 **Profit** National Planning Policy Guidance states that for the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. We therefore assume this is the level of profit deemed acceptable for the purposes of decision making.
- 6.24 In this instance we have assumed a fixed developer's profit of 17.5% on GDV, which amounts to £206,346.
- 6.25 A copy of ot two Argus Appraisals can be found in Appendix 6.

7 Conclusion

- 7.1 The development appraisal results in a deficit of **-£335,547** utilising BCIS build costs and utilising the Thornton Firkin cost plan **-£1,045,992** for a 100% open market scheme with no affordable housing contribution.
- 7.2 In both appraisals the level of return is negative then the proposed development cannot be expected to contribute towards Affordable Housing.
- 7.3 The viability assessment therefore demonstrates that the scheme can be considered policy compliant without an additional contribution towards the provision of any affordable housing.

8 Sensitivity Testing

- 8.1 As per the requirements of RICS professional standards and guidance: Financial Viability in Planning: conduct and reporting we have carried out further sensitivity analysis of the results to allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability.
- 8.2 We subsequently subjected the appraisal to two key variables. Construction Costs by a 5% incremental stepped approach, upwards and downwards and a 5% incremental adjustment to the GDV in the same manner.
- 8.3 A copy of our sensitivity analysis (based on BCIS build costs) results are shown in the table below.

Construction: Rate /ft ²					
Sales: Rate /ft ²	-10.00 /ft ²	-5.00 /ft ²	0.00 /ft ²	+5.00 /ft ²	+10.00 /ft ²
	170.26 /ft ²	175.26 /ft ²	180.26 /ft ²	185.26 /ft ²	190.26 /ft ²
-10.00 /ft ²	(£316,265)	(£338,749)	(£361,233)	(£383,717)	(£406,201)
358.00 /ft ²	-48.6974%	-51.2996%	Out of Range	Out of Range	Out of Range
-5.00 /ft ²	(£303,422)	(£325,906)	(£348,390)	(£370,874)	(£393,358)
363.00 /ft ²	-46.8232%	-49.4959%	-52.0328%	Out of Range	Out of Range
0.00 /ft ²	(£290,580)	(£313,063)	(£335,547)	(£358,031)	(£380,515)
368.00 /ft ²	-44.9176%	-47.6613%	-50.2669%	-52.7409%	Out of Range
+5.00 /ft ²	(£277,737)	(£300,220)	(£322,704)	(£345,188)	(£367,672)
373.00 /ft ²	-42.9808%	-45.7959%	-48.4706%	-51.0115%	-53.4250%
+10.00 /ft ²	(£264,894)	(£287,377)	(£309,861)	(£332,345)	(£354,829)
378.00 /ft ²	-41.0131%	-43.8998%	-46.6440%	-49.2523%	-51.7309%

The matrix above shows the impact of changes to private sales values and construction costs; each cell shows the residual land value derived by our appraisal. The central cell shows the outcome for the original appraisal.

Moving upwards and rightwards shows the impact of increase in

construction costs and decreases in sales values, respectively, with the most pessimistic scenario shown in the top right-hand cell. Conversely, moving in the opposite directions shows more optimistic market outcomes.

The results of the sensitivity analysis shows that all of the 25 scenarios tested still produce a negative residual value on a fully open market scheme with no affordable provision. The results show that even in the extreme case of increase sales values and decreased build costs the scheme would still be unviable. Therefore, ET Planning consider that the scheme is unviable to provide an affordable housing contribution.

Appendix 1: Location Plan

Appendix 2: Comparable transaction for existing hotel

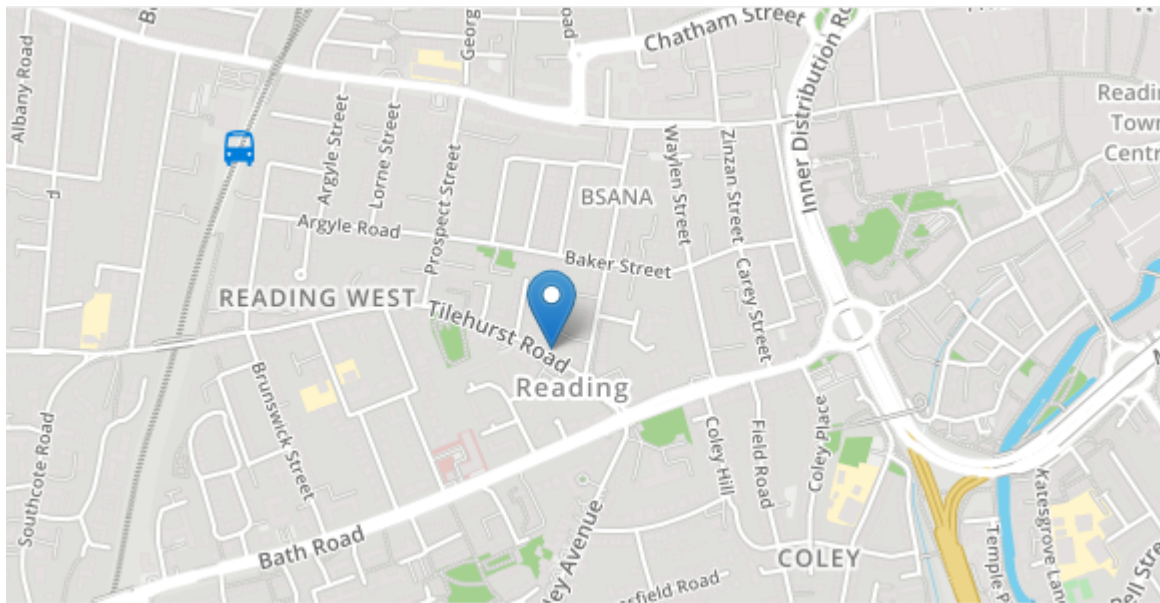
Appendix 3: Residential Values for Comparable Apartments

Appendix 4: BCIS Build Cost

Appendix 5: Cost Plan (Thornton Firkin)

Appendix 6: Argus Appraisals

Appendix 1: Location Plan

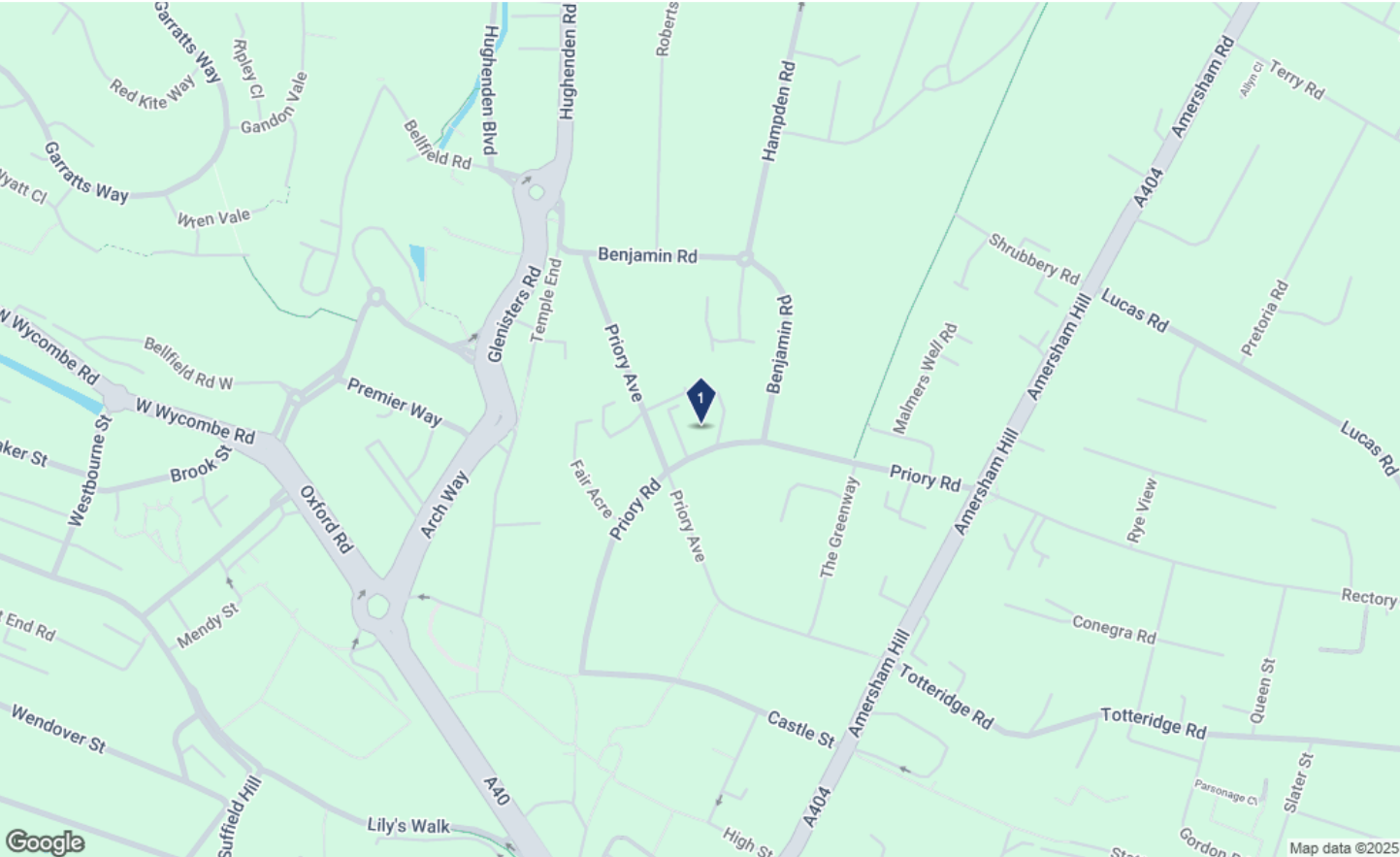


Appendix 2: Comparable transaction for existing hotel

For Sale Map & List Report

Records	Avg. Yield	Avg. Price	Avg. Price/Room
1	-	£2.2M	£69.4K

FOR SALE LOCATIONS



FOR SALE SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	£2,150,000	£2,150,000	£2,150,000	£2,150,000
Price Per Room	£69,355	£69,355	£69,355	£69,355
Yield	-	-	-	-
Days on Market	258	258	258	258
Property Attributes	Low	Average	Median	High
Rooms	31	31	31	31
Floors	3	3	3	3
Year Built	1960	1960	1960	1960

For Sale Map & List Report

Property Name - Address		Property			Sale			
		Type	Yr Built	Size	Price	Price/Area	Yield	Days on Market
	Abbey Lodge Hotel 17 Priory Rd High Wycombe HP13 6SL	Hotel	1960	31 Rooms	£2,150,000	£69,355/Room	-	259

1 The Chequers Hotel

SOLD

Newbury Berkshire RG14 1JB

Berkshire

True Buyer MZaman Holdings Group
6-8 Oxford St
Newbury, BKS RG14 1JB

True Seller Hughes Hotels Limited
115-119 Holdenhurst Rd
Bournemouth, DOR BH8 8DY
01722 417411 (p)



Sale Date 27 Sept 2024
Sale Price £2,650,000
Price/Sq ft £116.32
Price/Room £47,321

Type 3 Star Hotel
Year Built 1849; Renov 2020
NIA 22,783 Sq ft
Land Acres 0.91 ac
Sale Condition Furniture, Fixtures and Equipment Included

Parcels BK246526
Comp ID 6863871
Comp Status Research Complete

2 The Thames Hotel

SOLD

Maidenhead Berkshire SL6 8NR

Berkshire

Recorded Seller Owen Hotels Ltd
Ray Mead Rd
Maidenhead, BKS SL6 8NR



Sale Date 22 Apr 2024
Sale Price Not Disclosed

Type 2 Star Hotel
Year Built 1886
NIA 18,043 Sq ft
Land Acres 0.20 ac

Parcels BK262862
Comp ID 6708321
Comp Status Research Complete

3 Laburnum Guest House

SOLD

Slough Berkshire SL3 8QE

Berkshire

Recorded Buyer Marlston Assets Ltd
Marlston Munster Sq
London, LND NW1 3PP

True Buyer Uno Hotels
11 Marlston Rd
London, LND NW1 3PP
020 4599 8500 (p)



Sale Date 5 Sept 2023
Sale Price £875,000
Price/Sq ft £352.25
Price/Room £87,500

Type 2 Star Bed and Breakfast
Year Built 1970
NIA 2,484 Sq ft
Land Acres 0.12 ac

Parcels BK272842
Comp ID 6577468
Comp Status Research Complete

4 Clifton Guest House

SOLD

Slough Berkshire SL1 2BU

Berkshire



Sale Date 11 Apr 2022
 Sale Price £1,141,071
 Price/Sq ft £304.12
 Price/Room £63,393

Type 2 Star Bed and Breakfast
 Year Built 1960
 NIA 3,752 Sq ft
 Land Acres 0.14 ac

Parcels BK156207
 Comp ID 6014194
 Comp Status Research Complete

5 Eton Lodge

SOLD

Slough Berkshire SL1 2BU

Berkshire



Sale Date 11 Apr 2022
 Sale Price £633,929
 Price/Sq ft £181.64
 Price/Room £63,393

Type 2 Star Bed and Breakfast
 Year Built 1985
 NIA 3,490 Sq ft
 Land Acres 0.13 ac

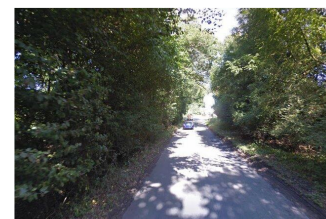
Parcels BK213092
 Comp ID 6014194
 Comp Status Research Complete

6 Fox Country Inn

SOLD

Stokenchurch Buckinghamshire HP14 3XR

Buckinghamshire



Recorded Buyer The Chilterns Fox Ltd
 Ibstone
 Ibstone, BKM HP14 3XT
 01494 504264 (p)

Recorded Seller Fox Country Inn Ltd
 Ibstone Rd
 Ibstone, BKM HP14 3XT
 01491 639333 (p)

True Buyer The Chilterns Fox Ltd
 Ibstone
 Ibstone, BKM HP14 3XT
 01494 504264 (p)

True Seller Fox Country Inn Ltd
 Ibstone Rd
 Ibstone, BKM HP14 3XT
 01491 639333 (p)

Sale Date 4 Jun 2021
 Sale Price £1,175,000
 Price/Sq ft £160.69
 Price/Room £65,278

Type 3 Star Hotel
 Year Built 1950
 NIA 7,312 Sq ft
 Land Acres 0.24 ac
 Zoning Commercial

Parcels BM258174
 Comp ID 5803037
 Comp Status Research Complete

Appendix 3: Residential Values for Comparable Apartments

No	Address	Date sold	Sold price	Est. bedroom
37	Flat 6, 111, Castle Hill, Reading, Reading RG1 1AB	12/04/2024	£122,000.00	1
7	23, Tetbury Court, Prospect Street, Reading, Reading RG1 1AB	16/09/2024	£130,000.00	1
11	10, Alexander Court, Baker Street, Reading, Reading RG1 1AB	12/08/2024	£154,500.00	1
12	27, Mcilroys Building, Oxford Road, Reading, Reading RG1 1AB	07/08/2024	£165,000.00	1
32	16, Walkers Place, Reading, Reading RG30 2LH	22/04/2024	£150,000.00	1
2	89, Tippet Rise, Reading, Reading RG2 0DQ	10/10/2024	£160,000.00	1
22	Flat 8, 40, Redlands Road, Reading, Reading RG1 1AB	21/06/2024	£160,000.00	1
38	Flat 5, 1, Send Road, Caversham, Reading, Reading RG4 7EJ	12/04/2024	£170,000.00	1
43	47, Mcilroys Building, Oxford Road, Reading, Reading RG1 1AB	21/03/2024	£162,500.00	1
13	Flat 56, Lynden Mews, Dale Road, Reading, Reading RG1 1AB	31/07/2024	£167,500.00	1
31	34, Pennyroyal Court, Reading, Reading RG1 1AB	26/04/2024	£170,000.00	1
26	8, St Pauls Court, Reading, Reading RG1 6H	03/06/2024	£180,000.00	1
6	Flat 5, 92, Connaught Road, Reading, Reading RG1 1AB	23/09/2024	£123,000.00	1
10	22 Compass House, South Street, Reading, Reading RG1 1AB	16/08/2024	£180,000.00	1
48	Flat 2, Home Court, 96, London Street, Reading, Reading RG1 1AB	09/02/2024	£210,000.00	1
49	26, Tetbury Court, Prospect Street, Reading, Reading RG1 1AB	09/02/2024	£135,000.00	1
8	24, Josephine Court, Southcote Road, Reading, Reading RG4 7EJ	21/08/2024	£183,000.00	1
44	Flat 92, Mayer House, Chatham Place, Reading, Reading RG1 1AB	11/03/2024	£195,000.00	1
39	Flat 6, Thetford House, Rembrandt Way, Reading, Reading RG1 1AB	28/03/2024	£168,000.00	1
14	71, Quadrant Court, Jubilee Square, Reading, Reading RG1 1AB	29/07/2024	£188,000.00	1
27	39, Quadrant Court, Jubilee Square, Reading, Reading RG1 1AB	30/05/2024	£190,000.00	1
40	10, Baron Court, Reading, Reading RG30 2LH	28/03/2024	£168,000.00	1
41	Flat 4, Home Court, 96, London Street, Reading, Reading RG1 1AB	28/03/2024	£202,000.00	1

£166,673.91

Floor area ft ²	Price per ft ²	Floor area m ²	Price per m ²
387.5	314.84	36.0	£387.50
398.26	326.42	37.0	£398.26
409.03	377.72	38.0	£409.03
409.03	403.4	38.0	£409.02
409.03	366.72	38.0	£409.03
419.79	381.14	39.0	£419.79
419.79	381.14	39.0	£419.79
419.79	404.96	39.0	£419.79
419.79	387.1	39.0	£419.79
430.56	389.03	40.0	£430.56
430.56	394.84	40.0	£430.55
441.32	407.87	41.0	£441.32
452.08	272.07	42.0	£452.09
452.08	398.16	42.0	£452.08
473.61	443.4	44.0	£473.61
473.61	285.04	44.0	£473.62
484.38	377.81	45.0	£484.37
484.38	402.58	45.0	£484.38
495.14	339.3	46.0	£495.14
505.9	371.61	47.0	£505.91
538.19	353.03	50.0	£538.20
538.19	312.15	50.0	£538.20
538.19	375.33	50.0	£538.19
453.49	368.07		

Appendix 4: BCIS Build Cost

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 25-Jan-2025 08:09

Rebased to Reading (108; sample 33)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Rehabilitation/Conversion								
810. Housing, mixed developments (20)	1,670	446	1,094	2,080	2,366	2,367	5	
810.1 Estate housing (25)	1,251	395	776	975	1,382	4,979	34	
810.11 Estate housing detached (30)	450	-	-	-	-	-	1	
810.12 Estate housing semi detached (25)	1,433	562	834	931	1,895	3,157	6	
810.13 Estate housing terraced (20)	1,190	999	-	1,188	-	1,385	4	
816. Flats (apartments)								
Generally (15)	2,062	442	1,176	1,610	2,083	7,111	74	
1-2 storey (15)	2,911	874	1,422	1,853	3,634	7,111	14	
3-5 storey (15)	1,721	442	1,164	1,493	1,940	6,583	45	
6 storey or above (15)	2,379	686	1,111	1,621	3,597	5,961	14	

Appendix 5 – Cost Plan (Thornton Firkin)



thornton-firkin

Project Managers - Cost Consultants

ET PLANNING

**2 TILEHURST ROAD, READING
FEASIBILITY COST ESTIMATE**

JAN 2025

967

CONTENTS

1 COST PLAN NOTES

1.1 Introduction

1.2 Basis of Information

1.3 Assumptions

1.4 Exclusions

2 FEASIBILITY

2.1 Summary

2.2 Detail

DOCUMENT CONTROL

Revision	Comment	Prepared by	Reviewed/Approved by	Date
Orig	First Issue	RAC	AJ	24/01/2025

Thornton-Firkin LLP. All rights reserved. This document is expressly provided to and solely for the use of the intended client and must not be quoted from, referred to, used by or distributed to any other party without the prior consent of Thornton-Firkin LLP who accept no liability of whatsoever nature for any use by any other party.

1.1 INTRODUCTION

- A** Thornton-Firkin LLP have been approached by ET Planning & Ibnul Karim to prepare a feasibility cost estimate for the refurbishment and conversion of the former Belle Vue Hotel at 2 Tilehurst Road, Reading, Berks RG1
- B** The proposed project comprises significant internal & external refurbishment & alteration including works to an existing Grade II property to provide 7 Nr flats, including reconfiguring floor layouts, and installing new services and associated external works.
- C** At present, the ONLY architectural, structural and civil engineering information available is detailed within Section 1.2.
- D** The estimated cost of the construction works has been benchmarked against similar projects within Thornton-Firkin LLP in-house cost database.

1.2 BASIS OF INFORMATION

- A** The following information has been used in the preparation of this Cost Plan:

Ref	Rev	Title
<u>CITYSCAPE PLANNING & ARCHITECTURE</u>		
19/566/13		Existing Plans
19/566/006		Proposed Plans

1.3 ASSUMPTIONS

A Scope

- 1 Retaining existing listed features, including Coade stone urns at high level, windows, external front door
- 2 General strip out and demolition redundant walls
- 3 Refurbishment of roof finishes; new rooflights
- 4 Repairs to external features
- 5 Secondary glazing
- 6 Full internal refurbishment; including new doors, and wall, floor & ceiling finishes
- 7 Insulation to external walls
- 8 New kitchens and bathrooms
- 9 New MEP installation
- 10 Refurbishment to existing boundary walls
- 11 General refresh to external areas

B Construction Assumptions

- 1 We have included for structural works associated with top floor flat 7 to address restricted floor-ceiling height.
- 2 Assumed existing uPVC rainwater goods are retained
- 3 Incoming services assumed located adjacent site with sufficient capacity within the network, unless otherwise stated as included.
- 4 Sewerage utility service capacity assumed adjacent and accessible to site with sufficient capacity to
- 5 accept waste water from site without upgrade works.
- 6 Ground conditions are free from contamination.
- 7 On site allocation for site welfare and materials storage.
- 8 Site access free from obstacles, and readily accessible for construction traffic.
- 9 The costs are based on current Building Regulations.
- 10 Procurement based on a traditional tender to medium-sized regional contractor
- 11 Start on site is projected to be in 2Q 2025.

C General Assumptions

- 1 Site area is scaled from the available drawings.
- 2 Assume the works will be competitively tendered.
- 3 Traditional contract arrangement.
- 4 All values used are based on 1Q 2025 rates.

1.4 EXCLUSIONS

A Scope Exclusions

- 1 Structural works to existing substructures
- 2 Replacement rainwater goods - currently upvc
- 3 DDA requirements, such as lifts or staircase alterations
- 4 New incoming gas mains supply
- 5 New landscaping works/features

B Base Exclusions

- 1 Site investigations
- 2 Ground contamination and remediation works
- 3 Asbestos surveys and/or removal
- 4 Obstructions in the ground
- 5 Archaeological surveys and works
- 6 Infrastructure upgrades and utility services diversions
- 7 UXO survey and removal
- 8 Flood defence
- 9 SUDS
- 10 Ecological works
- 11 Extensive arboricultural work
- 12 Removal or treatment of invasive species
- 13 Allowance for associated works for Tree Preservation Zones/ Tree Protection Orders
- 14 Bin provision
- 15 Acceleration works
- 16 Phasing
- 17 Performance Bonds and construction schemes (i.e. Considerate Constructors)
- 18 Third Party Works

C General Exclusions

- 1 Out of hours working
- 2 Road closures; traffic management
- 3 Public Highway works, and works outside of site boundary
- 4 Legal Fees and charges
- 5 Fees including Building Control fees and charges
- 6 Fees and charges in connection with marketing, real estate, property agency, etc
- 7 Planning applications and associated fees
- 8 Design team professional fees
- 9 Land costs, including Land Registry fees & charges
- 10 Party Wall Awards, Rights to light issues, etc
- 11 Client contingency
- 12 Inflation and market fluctuations
- 13 Grants and incentives
- 14 Funding and finance costs and charges
- 15 VAT

SECTION 2 - SUMMARY

GIFA

353

m2

Element				Total (£)	£/m2	£/ft2
FACILITATING & BUILDING WORKS				46,345	131.29	12.20
BUILDING WORKS				551,156	1,561.35	145.05
EXTERNAL WORKS				86,575	245.25	22.78
EXTERNAL DRAINAGE & EXTERNAL SERVICES				23,500	66.57	6.18
SUB-TOTAL: BUILDING WORKS				£ 707,576	£ 2,004	£ 186
PRELIMINARIES						
Main Contractor's Preliminaries	42	wks	10,000.00	420,000	1,189.80	110.54
PRELIMINARIES				420,000	1,190	111
SUB-TOTAL: BUILDING WORKS AND PRELIMINARIES				£ 1,127,576	£ 3,194	£ 297
MAIN CONTRACTOR'S OH&P						
Main Contractor's overheads	£ 1,127,576		2.50%	28,189	79.86	7.42
Main Contractor's profit	£ 1,127,576		5.00%	56,379	159.71	14.84
MAIN CONTRACTOR'S OH&P				84,568	240	22
SUBTOTAL: BUILDING WORKS ESTIMATE				£ 1,212,144	£ 3,433	£ 319
PROJECT/DESIGN TEAM FEES						
Main Contractor's design fees - assumed traditional contract			excluded	-	-	-
PROJECT/DESIGN TEAM FEES				£ -	£ -	£ -
RISK						
Design development risks	£ 1,212,144		3.00%	36,364	103.01	9.57
Construction risks - unforeseen works	£ 1,212,144		3.00%	36,364	103.01	9.57
RISK				£ 72,728	£ 206	£ 19
INFLATION						
Tender inflation				excl		
Construction inflation				excl		
INFLATION				£ -	£ -	£ -
ESTIMATED TOTAL PROJECT COST (Excl VAT)			say	£ 1,285,000	£ 3,639	£ 634
VAT Assessment				Excluded		

SECTION 2 - DETAIL

Element	Quantity	Unit	Rate	Total (£)
<u>FACILITATING WORKS</u>				
Strip out; all loose furniture, rubbish, debris	353	m2	15.00	5,295
General strip out; including demolishing internal walls, stripping doors, finishes, sanitary installations, MEP etc	353	m2	100.00	35,300
Remove existing gas meter housing	1	Item	250.00	250
Treat timber for rot/woodworm; provisional allowance	1	Item	2,500.00	2,500
Damp treatment; to basement and lower ground; provisional allowance	1	Item	3,000.00	3,000
ENABLING/FACILITATING WORKS				£ 46,345
AREA SCHEDULE - GIFA				
Lower Ground	100	m2		
Upper Ground	103	m2		
First	102	m2		
Second	48	m2		
Total	353	m2		
AREA SCHEDULE - NETT				
Flat 1	41.3	m2		-
Flat 2	37.2	m2		-
Flat 3	45.2	m2		-
Flat 4	43.9	m2		-
Flat 5	42.0	m2		
Flat 6	46.6	m2		
Flat 7	41.5	m2		
Communal areas	34.0	m2		-
Total	331.7	m2		-
ROOF				
Refurbish existing main roof; strip, new felt, battens, refix roof slates (plan area); lead flashings	140	m2	180.00	25,200
Extra over for new roof slates (assume 20% of area)	28	m2	140.00	3,920
Refurbish existing sloping side roof; including installing new felt, battens, and refixing roof slates general allowance (plan area); lead flashings	5	m2	180.00	900
Refurbish existing flat roofs; new insulation under	9	m2	125.00	1,125
Allow for minor repairs to existing uPVC rainwater goods	1	Item	500.00	500
Main roof: install new insulation (plan area)	140	m2	60.00	8,400
Replacement velux rooflights; Flat 7	4	Nr	1,500.00	6,000
Decorating exposed timber rafters, fascias and soffits	1	Item	4,000.00	4,000
Alterations and adaptations to the 2nd floor roof to accommodate the restricted floor-ceiling heights to Flat 7; Provisional	43	m2	200.00	8,600
UPPER FLOORS				
Remedial works to suspended timber floors; allowance	222	m2	30.00	6,660
Alterations and adaptations to the 2nd floor to accommodate the restricted floor-ceiling heights to Flat 7; Provisional	43	m2	150.00	6,450
STAIRS				
Refurbish existing communal stairs	1	Item	5,000.00	5,000
New floor floor finishes to communal staircases and landings; carpet	20	m2	60.00	1,200
EXTERNAL WALLS				
Extra over for tanking to Basement and Lower Ground Floor; provisional	180	m2	125.00	22,500
Brickwork repairs; including renovating parapets, copings and flashings at high level, making good holes etc; general allowance	1	Item	10,000.00	10,000
Specialist render repairs; general allowance	1	Item	10,000.00	10,000
Remedial works to chimneys; general allowance	1	Item	5,000.00	5,000
Refurbish existing main entrance steps and railings (Flat 4 entrance)	1	Item	2,000.00	2,000
Refurbish existing external cupboard; including new door	1	Item	1,000.00	1,000
Repairs to chimneys	4	Nr	1,000.00	4,000
Painting exterior render	495	m2	15.00	7,425

SECTION 2 - DETAIL

Element					Quantity	Unit	Rate	Total (£)
<u>WINDOWS & EXTERNAL DOORS</u>								-
Refurbish existing windows					46	m2	200.00	9,200
Secondary glazing					46	m2	350.00	16,100
Refurbish existing main entrance door & fanlight over (to new Flat 4)					1	Nr	1,000.00	1,000
New entrance door (side elevation)					1	Nr	1,500.00	1,500
								-
<u>INTERNAL WALLS AND PARTITIONS</u>								-
Insulated lining to external walls; thermal plasterboard					324	m2	55.00	17,820
Block fireplace openings; including installing vents; general allowance per flat					7	Nr	600.00	4,200
Refurbish existing feature fireplace to new Flat 4					1	Item	1,000.00	1,000
								-
<u>INTERNAL DOORS</u>								-
Flat Entrance doors (excludes Flat 4)					6	Nr	1,000.00	6,000
Internal doors to flats					21	Nr	700.00	14,700
Internal communal fire doors					3	Nr	1,000.00	3,000
Internal communal cupboard door					1	Nr	750.00	750
								-
<u>FINISHES</u>								-
<u>Flats</u>								-
Wall finishes; paint					1,351	m2	12.50	16,888
Extra over for tiling to Shower Rooms (assume 50% of Shower Room wall area)					84	m2	60.00	5,040
Extra over for tiling to Kitchen areas; splashback 300 high					28	m	25.00	700
Refurbish cornices; provisional allowance					100	m	25.00	2,500
Refurbish existing timber skirtings; incl decorations					359	m	15.00	5,385
Screeds or equivalent boarded base to floors					298	m2	20.00	5,954
								-
Floor finishes; to Bedrooms & Living/Dining; carpets; including new screeds					101	m2	40.00	4,040
Floor finishes; floor tiles to Shower Rooms					18	m2	70.00	1,260
Laminate floor finishes to Hall, combined Kitchen/Living/Dining					154	m2	60.00	9,240
Acoustic insulation to all upper floors					246	m2	25.00	6,150
Ceilings: install fire compartment ceilings and fire stopping generally					298	m2	60.00	17,862
Ceiling: new suspended plasterboard ceilings & skim generally; including insulation, painting & decorating (based on GIFA)					101	m2	60.00	6,060
Extra over for covings					359	m	15.00	5,385
								-
<u>Communal Areas</u>								-
Wall finishes; paint					242	m2	12.50	3,025
Refurbish cornices; provisional allowance					50	m	25.00	1,250
Timber skirtings; painted					74	m	15.00	1,110
Screeds or equivalent boarded base to floors					34	m2	25.00	850
Carpet tiles; heavy duty					34	m2	50.00	1,700
Ceilings: install fire-rated ceilings and firestopping generally; including skim, painting & decorating generally					34	m2	60.00	2,040
Extra over for covings					242	m	15.00	3,630
								-
<u>FF&E</u>								-
Kitchens; incl appliances					7	Nr	8,000.00	56,000
								-
<u>SANITARY INSTALLATIONS</u>								-
Shower Room; comprising shower tray, shower unit, shower screen, hand wash basin, wc suite, bathroom cabinet					7	Nr	5,000.00	35,000
								-
<u>MEP SERVICES</u>								-
<u>Flats</u>								-
Plumbing installation - new H&C water system	(based on GIFA)				298	m2	100.00	29,770
New waste installation	(based on GIFA)				298	m2	50.00	14,885
Electrical installation - new installation; including power, lighting, electric heating, mechanical ventilation to kitchen & bathroom	(based on GIFA)				298	m2	225.00	66,983
Fire/smoke alarm					7	Nr	500.00	3,500
BT/Fibre installation					7	Nr	500.00	3,500
Incoming electricity mains					7	Nr	1,250.00	8,750
Incoming water mains					7	Nr	1,000.00	7,000

SECTION 2 - DETAIL

Element					Quantity	Unit	Rate	Total (£)
<u>Communal</u>								
Electrical installation - new installation; including power, lighting, electric heating					34	m2	200.00	6,800
Fire/smoke alarm					1	Nr	1,500.00	1,500
Alter & adapt existing incoming mains electricity					1	Nr	1,250.00	1,250
Alter & adapt existing incoming mains water					1	Nr	1,000.00	1,000
								-
BUILDING WORKS								£ 551,156
<u>EXTERNAL WORKS</u>								-
<u>Site Preparation</u>								-
Site clearance to front & rear gardens generally					650	m2	2.50	1,625
								-
<u>Paths, Paving and Hard Standings</u>								-
Remedial works to drive way & parking area/s; allowance					650	m2	75.00	48,750
Renovate front entrance steps (to new Flat 4)					1	Item	2,000.00	2,000
								-
<u>Soft Landscaping</u>								-
Planting bed to front garden; replant existing planters with shrubs					1	Item	2,000.00	2,000
Prune trees					1	Item	500.00	500
								-
<u>Fencing Railings and Walls</u>								-
Remedial works to external boundary walls; including replacing missing/damaged bricks, repointing, removing glass to coping, resetting copings					186	m2	75.00	13,950
Remedial works to existing metal gate; including repairing lock and hinges					1	Item	500.00	500
Repair ground level 'parapet' walls along front & side elevations					1	Item	5,000.00	5,000
Renovate Coadie Stone urns at roof level					4	Nr	1,000.00	4,000
Renovate existing railings to front entrance steps (to new Flat 4)					1	Item	1,000.00	1,000
								-
<u>External Furniture</u>								-
Bin store to front garden; incl hardstanding					1	Item	2,250.00	2,250
Allowance for secure bike storage; including hard standing					1	Item	5,000.00	5,000
EXTERNAL WORKS								£ 86,575
<u>EXTERNAL DRAINAGE</u>								
CCTV Survey & report					1	Item	1,500.00	1,500
New manhole cover & frame					4	Nr	500.00	2,000
Allow for repairs and alterations to existing underground drainage					1	Item	5,000.00	5,000
Allow for new drainage					1	Item	7,500.00	7,500
Drainage								£ 16,000
<u>EXTERNAL SERVICES</u>								
Allowance for external lighting					1	Item	5,000.00	5,000
External garden tap					1	Item	500.00	500
BWIC external services					1	Item	2,000.00	2,000
External Services								£ 7,500
EXTERNAL SERVICES AND DRAINAGE								£ 23,500

Appendix 6: Argus Appraisals

6.1 - AUV Argus Appraisal

6.2 - FVA using BCIS Build Cost

6.3 FVA using Cost Plan Build Costs

PROJECT PRO FORMA**ET PLANNING LIMITED****Bell Vue Hotel, Reading
ETP****Project Pro Forma for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Hotel Room	18	3,780	285.71	60,000	1,080,000
Purchaser's Costs				(24,500)	
Effective Purchaser's Costs Rate		0.00%		(24,500)	

NET DEVELOPMENT VALUE **1,055,500**

TOTAL PROJECT REVENUE **1,055,500**

DEVELOPMENT COSTS**ACQUISITION COSTS**

Residualized Price			361,925		
				361,925	
Legal Fee		0.50%	1,810		
				1,810	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
Hotel Room	3,780	89.95	340,000		
Contingency		5.00%	17,000		
				357,000	

Section 106 Costs

CIL Levy	3,780 ft²	17.09	64,600		
				64,600	

PROFESSIONAL FEES

Architect		10.00%	34,000		
				34,000	

DISPOSAL FEES

Sales Agent Fee		1.50%	16,568		
Sales Legal Fee		0.50%	5,400		
				21,968	

Additional Costs

Additional Fees		17.50%	189,000		
				189,000	

TOTAL COSTS BEFORE FINANCE **1,030,303**

FINANCE

Debit Rate 8.000%, Credit Rate 8.000% (Nominal)					
Land			24,854		
Construction			344		
Total Finance Cost				25,197	

TOTAL COSTS **1,055,500**

PROFIT

0

Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

Bell Vue Hotel, Reading**ETP**

IRR% (without Interest)	6.44%
Profit Erosion (finance rate 8.000)	N/A

Bell Vue Hotel, Reading
ETP

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Flat 1 - 1 Bed	1	445	368.00	163,760	163,760
Flat 2 - 1 Bed	1	401	368.00	147,568	147,568
Flat 3 - 1 bed	1	485	368.85	178,893	178,893
Flat 4 - 1 bed	1	472	368.00	173,696	173,696
Flat 5 - 1 bed	1	452	368.00	166,336	166,336
Flat 6 - 1 Bed	1	501	368.00	184,368	184,368
Flat 7 - 1 Bed	<u>1</u>	<u>447</u>	368.00	164,496	<u>164,496</u>
Totals	7	3,203			1,179,117

TOTAL PROJECT REVENUE **1,179,117**

DEVELOPMENT COSTS

ACQUISITION COSTS

Fixed Price	361,925		
Fixed Price		361,925	
			361,925
Land Transfer Tax		7,600	
Effective Land Transfer Tax Rate	2.10%		
Legal Fee	0.50%	1,810	
			9,410

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Flat 1 - 1 Bed	528	180.26	95,177	
Flat 2 - 1 Bed	476	180.26	85,804	
Flat 3 - 1 bed	575	180.26	103,650	
Flat 4 - 1 bed	560	180.26	100,946	
Flat 5 - 1 bed	536	180.26	96,619	
Flat 6 - 1 Bed	594	180.26	107,074	
Flat 7 - 1 Bed	<u>530</u>	180.26	<u>95,538</u>	
Totals	3,799 ft²		684,808	
Contingency		5.00%	34,240	
				719,048
Section 106 Costs				
CIL Levy	3,799 ft²	17.09	64,925	
				64,925

PROFESSIONAL FEES

Architect	10.00%	68,481	
			68,481

MARKETING & LEASING

Marketing	2.00%	23,582	
			23,582

DISPOSAL FEES

Sales Agent Fee	1.50%	17,687	
Sales Legal Fee	7 un 1,000.00 /un	7,000	
			24,687

Additional Costs

Additional Fees	17.50%	206,346	
			206,346

TOTAL COSTS BEFORE FINANCE **1,478,403**

FINANCE

Debit Rate 8.000%, Credit Rate 8.000% (Nominal)

Bell Vue Hotel, Reading**ETP**

Land	25,373	
Construction	10,889	
Total Finance Cost		36,262

TOTAL COSTS**1,514,665****PROFIT****(335,547)****Performance Measures**

Profit on Cost%	-22.15%
Profit on GDV%	-28.46%
Profit on NDV%	-28.46%

IRR% (without Interest) -50.27%

Profit Erosion (finance rate 8.000) N/A

Bell Vue Hotel, Reading (1)
ETP
Project Pro Forma for Phase 1
Currency in £
REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Flat 1 - 1 Bed	1	445	368.00	163,760	163,760
Flat 2 - 1 Bed	1	401	368.00	147,568	147,568
Flat 3 - 1 bed	1	485	368.85	178,893	178,893
Flat 4 - 1 bed	1	472	368.00	173,696	173,696
Flat 5 - 1 bed	1	452	368.00	166,336	166,336
Flat 6 - 1 Bed	1	501	368.00	184,368	184,368
Flat 7 - 1 Bed	<u>1</u>	<u>447</u>	368.00	164,496	<u>164,496</u>
Totals	7	3,203			1,179,117

TOTAL PROJECT REVENUE **1,179,117**
DEVELOPMENT COSTS
ACQUISITION COSTS

Fixed Price	361,925		
Fixed Price		361,925	
			361,925
Land Transfer Tax		7,600	
Effective Land Transfer Tax Rate	2.10%		
Legal Fee	0.50%	1,810	
			9,410

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Flat 1 - 1 Bed	528	338.25	178,596	
Flat 2 - 1 Bed	476	338.25	161,007	
Flat 3 - 1 bed	575	338.25	194,494	
Flat 4 - 1 bed	560	338.25	189,420	
Flat 5 - 1 bed	536	338.25	181,302	
Flat 6 - 1 Bed	594	338.25	200,920	
Flat 7 - 1 Bed	<u>530</u>	338.25	<u>179,272</u>	
Totals	3,799 ft²		1,285,012	
Contingency		5.00%	64,251	
				1,349,262

Section 106 Costs

CIL Levy	3,799 ft²	17.09	64,925	
				64,925

PROFESSIONAL FEES

Architect	10.00%	128,501		
				128,501

MARKETING & LEASING

Marketing	2.00%	23,582		
				23,582

DISPOSAL FEES

Sales Agent Fee		1.50%	17,687	
Sales Legal Fee	7 un	1,000.00 /un	7,000	
				24,687

Additional Costs

Additional Fees	17.50%	206,346		
				206,346

TOTAL COSTS BEFORE FINANCE **2,168,638**
FINANCE

Debit Rate 8.000%, Credit Rate 8.000% (Nominal)

Bell Vue Hotel, Reading (1)**ETP**

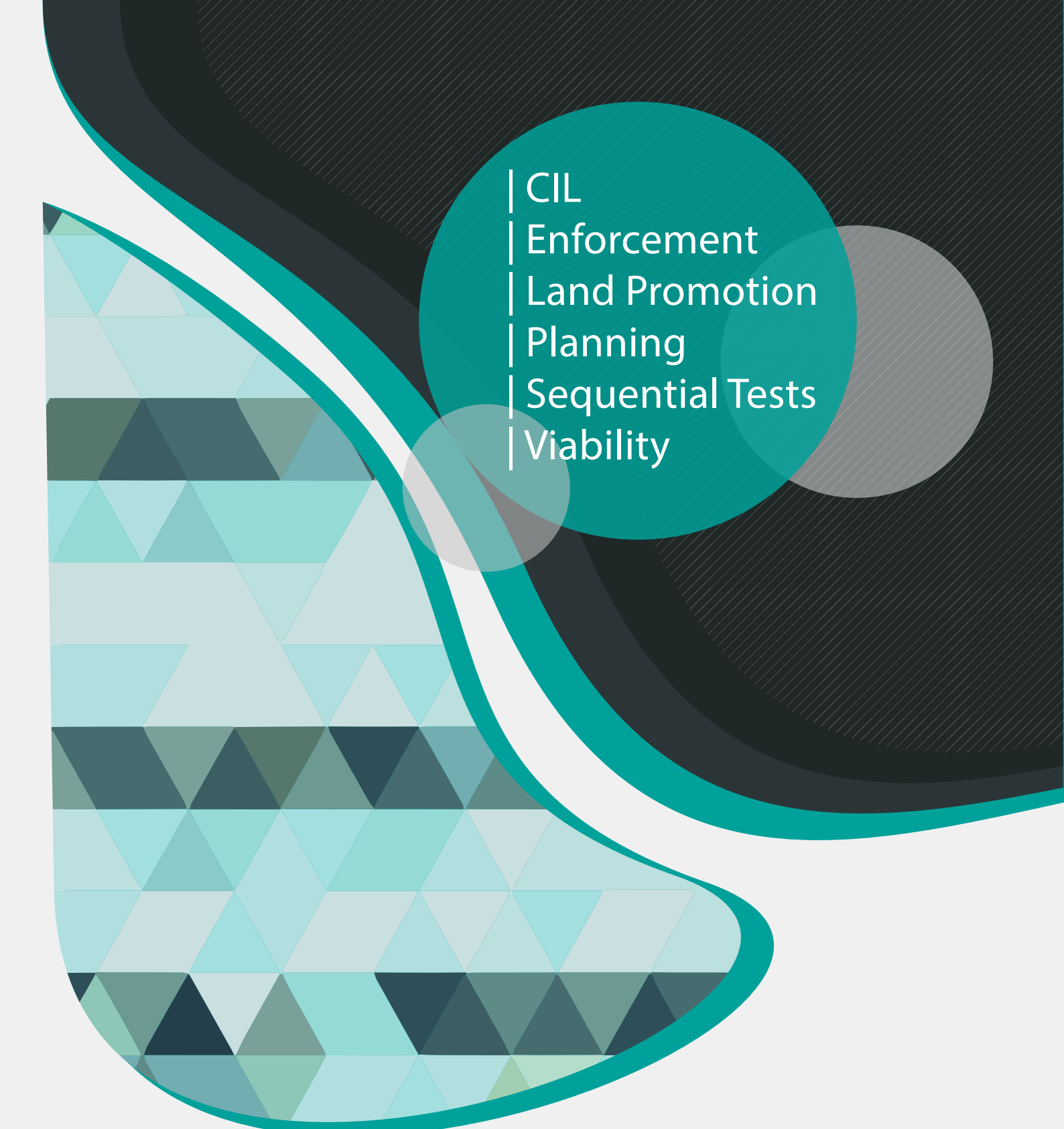
Land	25,373	
Construction	31,098	
Total Finance Cost		56,471

TOTAL COSTS**2,225,109****PROFIT****(1,045,992)****Performance Measures**

Profit on Cost%	-47.01%
Profit on GDV%	-88.71%
Profit on NDV%	-88.71%

IRR% (without Interest) N/A

Profit Erosion (finance rate 8.000) N/A



| CIL
| Enforcement
| Land Promotion
| Planning
| Sequential Tests
| Viability

Contact

Address

200 Dukes Ride RG45 6DS
One St Aldates OX1 1DE
32 London Road GU1 2AB
14 The Square SY1 1LH
72 Paris Street EX1 2JY

Phone

01344 508048
01865 507265
01483 363950
01743 612043
01392 691384

Web & Mail

Email: office@etplanning.co.uk
ET Planning Ltd | 10646740

Web: www.etplanning.co.uk