

# Schedule 1



**GVA GRIMLEY &  
BESPOKE PROPERTY GROUP**

## **THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL**



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Version 1.3 (October 2007)



**GVA GRIMLEY & BESPOKE PROPERTY GROUP**  
**THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL**

**INPUT SHEET 1 - RESIDENTIAL MIX ASSUMPTIONS**

**Basic Site Details**

|                             |                                               |
|-----------------------------|-----------------------------------------------|
| Site Address                | 13-15 Station Road, Reading, RG1 1LG          |
| Site Reference              |                                               |
| Scheme Description          | Conversion of upper floors into 7 apartments. |
| Date                        | 12/02/2025                                    |
| Site Area (hectares)        |                                               |
| Author & Organisation       | S106 Management Ltd                           |
| Housing Corporation Officer |                                               |

**Residential Mix Assumptions**

**Affordable Housing Tenure 1: Social Rented**

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |       |

**Affordable Housing Tenure 2: Intermediate - Shared Ownership**

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |       |

**Affordable Housing Tenure 3: Intermediate - Discounted Market Sale**

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |       |

**Affordable Housing Tenure 4: Intermediate - Other Type of Shared Ownership / Shared Equity**

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |       |

## Affordable Housing Tenure 5:

Intermediate - Discounted Market Rented

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |       |

\* Other = User-defined

## Open Market Housing Type 1:

Flats

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other   |
|--------------------------|--------|-------|-------|-------|-------|---------|
| Unit Size (sq m) - NIA   |        |       |       |       |       | 56 4286 |
| Habitable Rooms per Unit |        |       |       |       |       |         |
| Persons per Unit         |        |       |       |       |       |         |
| Total Number of Units    |        |       |       |       |       | 7       |

## Open Market Housing Type 2:

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |

## Open Market Housing Type 3:

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |

## Open Market Housing Type 4:

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |

## Open Market Housing Type 5:

|                          | Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Other |
|--------------------------|--------|-------|-------|-------|-------|-------|
| Unit Size (sq m) - NIA   |        |       |       |       |       |       |
| Habitable Rooms per Unit |        |       |       |       |       |       |
| Persons per Unit         |        |       |       |       |       |       |
| Total Number of Units    |        |       |       |       |       |       |

Total number of residential car parking spaces

(Open Market and Affordable)

Value of each residential car parking space

(Average value of all parking spaces)

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**INPUT SHEET 2 - RESIDENTIAL VALUE & COST ASSUMPTIONS**

**RESIDENTIAL VALUE ASSUMPTIONS**

**Base Value**

**Affordable Housing Tenure 1:**

**Social Rented**

| Type of Unit                                           | Rent per Unit per Week (£) | Rent per Unit per Annum (£)         |
|--------------------------------------------------------|----------------------------|-------------------------------------|
| Studio                                                 |                            |                                     |
| 1 Bed                                                  |                            |                                     |
| 2 Bed                                                  |                            |                                     |
| 3 Bed                                                  |                            |                                     |
| 4 Bed                                                  |                            |                                     |
| Other                                                  |                            |                                     |
| Other                                                  |                            |                                     |
| Management Costs (% of rent)                           |                            | (% of gross rent per annum)         |
| Voids / bad debts (% of rent)                          |                            | (% of gross rent per annum)         |
| Repairs Fund (% of rent)                               |                            | (% of gross rent per annum)         |
| Yield (%)                                              |                            | (to capitalise the net rent)        |
| Timing of Affordable Housing Tenure 1 Purchase Payment | Start Month                | End Month (whole number, minimum 0) |

**Affordable Housing Tenure 2:**

**Intermediate - Shared Ownership**

| Type of Unit                                           | Total Unit Capital Value (£ psm, NIA) | Rent per Unit per week of rented share (£) |
|--------------------------------------------------------|---------------------------------------|--------------------------------------------|
| Studio                                                 |                                       | £0                                         |
| 1 Bed                                                  |                                       | £0                                         |
| 2 Bed                                                  |                                       | £0                                         |
| 3 Bed                                                  |                                       | £0                                         |
| 4 Bed                                                  |                                       | £0                                         |
| Other                                                  |                                       | £0                                         |
| Other                                                  |                                       | £0                                         |
| Owner-occupied share (%)                               |                                       |                                            |
| Unsold Equity Rent Per Annum (%)                       |                                       | (Housing Corporation Limit of 2.75%)       |
| Management Costs (% of rent)                           |                                       | (% of gross rent per annum)                |
| Voids / bad debts (% of rent)                          |                                       | (% of gross rent per annum)                |
| Repairs Fund (% of rent)                               |                                       | (% of gross rent per annum)                |
| Yield (%)                                              |                                       | (to capitalise the net rent)               |
| Timing of Affordable Housing Tenure 2 Purchase Payment | Start Month                           | End Month (whole number, minimum 0)        |

**Affordable Housing Tenure 3:**

**Intermediate - Discounted Market Sale**

| Type of Unit                                           | Capital Value pre-discount (£ psm, NIA) |                                     |
|--------------------------------------------------------|-----------------------------------------|-------------------------------------|
| Studio                                                 |                                         |                                     |
| 1 Bed                                                  |                                         |                                     |
| 2 Bed                                                  |                                         |                                     |
| 3 Bed                                                  |                                         |                                     |
| 4 Bed                                                  |                                         |                                     |
| Other                                                  |                                         |                                     |
| Other                                                  |                                         |                                     |
| % of Open Market Value                                 | 100 0%                                  |                                     |
| Timing of Affordable Housing Tenure 3 Purchase Payment | Start Month                             | End Month (whole number, minimum 0) |

Affordable Housing Tenure 4:Intermediate - Other Type of Shared Ownership / Shared Equity

| Type of Unit                                              | Total Unit<br>Capital Value (£ psm, NIA) | Rent per Unit per<br>week of rented share (£) |
|-----------------------------------------------------------|------------------------------------------|-----------------------------------------------|
| Studio                                                    |                                          | £0                                            |
| 1 Bed                                                     |                                          | £0                                            |
| 2 Bed                                                     |                                          | £0                                            |
| 3 Bed                                                     |                                          | £0                                            |
| 4 Bed                                                     |                                          | £0                                            |
| Other                                                     |                                          | £0                                            |
| Other                                                     |                                          | £0                                            |
| Owner-occupied share (%)                                  |                                          |                                               |
| Unsold Equity Rent Per Annum (%)                          |                                          |                                               |
| Management Costs (% of rent)                              |                                          | (% of gross rent per annum:                   |
| Voids / bad debts (% of rent)                             |                                          | (% of gross rent per annum:                   |
| Repairs Fund (% of rent)                                  |                                          | (% of gross rent per annum:                   |
| Yield (%)                                                 |                                          | (to capitalise the net rent)                  |
| Timing of Affordable Housing<br>Tenure 4 Purchase Payment | Start Month                              | End Month                                     |
|                                                           |                                          | (whole number, minimum 0                      |

Affordable Housing Tenure 5:Intermediate - Discounted Market Rented

| Type of Unit                                              | Rent per Unit per Week (£) | Rent per Unit per Annum (£)  |
|-----------------------------------------------------------|----------------------------|------------------------------|
| Studio                                                    |                            |                              |
| 1 Bed                                                     |                            |                              |
| 2 Bed                                                     |                            |                              |
| 3 Bed                                                     |                            |                              |
| 4 Bed                                                     |                            |                              |
| Other                                                     |                            |                              |
| Other                                                     |                            |                              |
| Management Costs (% of rent)                              |                            | (% of gross rent per annum)  |
| Voids / bad debts (% of rent)                             |                            | (% of gross rent per annum)  |
| Repairs Fund (% of rent)                                  |                            | (% of gross rent per annum)  |
| Yield (%)                                                 |                            | (to capitalise the net rent) |
| Timing of Affordable Housing<br>Tenure 5 Purchase Payment | Start Month                | End Month                    |
|                                                           |                            | (whole number, minimum 0     |

Open Market Values

|                                          | Capital Value (£ psm)    |
|------------------------------------------|--------------------------|
| Open Market Housing Type 1: Flats        | £5 190                   |
| Open Market Housing Type 2: -            |                          |
| Open Market Housing Type 3: -            |                          |
| Open Market Housing Type 4: -            |                          |
| Open Market Housing Type 5: -            |                          |
| Timing of First Open Market Housing Sale | Month                    |
| Timing of Last Open Market Housing Sale  | Month                    |
|                                          | (whole number, minimum 0 |

Overall Scheme End Date (this must be completed)

|                                                            | Month                    |
|------------------------------------------------------------|--------------------------|
| Final End Date of Scheme - scheme built and fully let/sold | Month                    |
|                                                            | (whole number, minimum 0 |

Social Housing Grant & Other Funding

|                                                                                            | Grant per unit (£) | Timing of 1st Payment | Timing of 2nd Payment |
|--------------------------------------------------------------------------------------------|--------------------|-----------------------|-----------------------|
| Affordable Housing Tenure 1: Social Rented                                                 |                    |                       |                       |
| Affordable Housing Tenure 2: Intermediate - Shared Ownership                               |                    |                       |                       |
| Affordable Housing Tenure 3: Intermediate - Discounted Market Sale                         |                    |                       |                       |
| Affordable Housing Tenure 4: Intermediate - Other Type of Shared Ownership / Shared Equity |                    |                       |                       |
| Affordable Housing Tenure 5: Intermediate - Discounted Market Rented                       |                    |                       |                       |

Timing Social Housing Grant Paid

|                                                                                         | Value (£) | Timing of Payment                           |
|-----------------------------------------------------------------------------------------|-----------|---------------------------------------------|
| Other Sources of Funding for A/H (£)<br>(could include RSL cross-subsidy from reserves) | £0        | (whole number, minimum of 0, maximum of 60) |

**BUILDING COST, MARKETING COST & SECTION 106 ASSUMPTIONS**

|                              |                                                               | Building Costs - Gross<br>(£ / sq m) | Net to Gross Ratio for<br>Building Costs (%)* |
|------------------------------|---------------------------------------------------------------|--------------------------------------|-----------------------------------------------|
| Affordable Housing Tenure 1: | Social Rented                                                 |                                      |                                               |
| Affordable Housing Tenure 2: | Intermediate - Shared Ownership                               |                                      |                                               |
| Affordable Housing Tenure 3: | Intermediate - Discounted Market Sale                         |                                      |                                               |
| Affordable Housing Tenure 4: | Intermediate - Other Type of Shared Ownership / Shared Equity |                                      |                                               |
| Affordable Housing Tenure 5: | Intermediate - Discounted Market Rented                       |                                      |                                               |
| Open Market Housing Type 1:  | Flats                                                         | £2 890                               | 100%                                          |
| Open Market Housing Type 2:  | -                                                             |                                      |                                               |
| Open Market Housing Type 3:  | -                                                             |                                      |                                               |
| Open Market Housing Type 4:  | -                                                             |                                      |                                               |
| Open Market Housing Type 5:  | -                                                             |                                      |                                               |

\* The ratio is typically 70% - 85% in blocks of flats to reflect the difference between GIA & NIA (ie common parts such as lifts, stairs, corridors etc) and 100% in houses which have no common parts

|                                                                | Building Costs<br>(£ / car parking space) |
|----------------------------------------------------------------|-------------------------------------------|
| Residential Car Parking Building Costs (£ / car parking space) |                                           |
|                                                                | % of Building Costs                       |
| Building Cost Fees % (Architects, QS etc)                      | 10 00% (typically around 10%)             |
| Building Contingencies (% of Building Costs)                   | 5 00% (typically around 5% for new)       |
| <b>Section 106 Payments (£) *</b>                              | Cost (£)                                  |
| CIL                                                            |                                           |
| BNG                                                            | £8 560                                    |

\* This section excludes Affordable Housing section 106 payments

|                                                   | Cost (£) | Month of Payment |
|---------------------------------------------------|----------|------------------|
| <b>Site Abnormals (£)</b>                         | £97 500  |                  |
| Infrastructure Costs                              |          |                  |
| Contamination Costs                               |          |                  |
| Demolition Costs                                  |          |                  |
| Other Costs                                       |          |                  |
| Site Specific Sustainability Initiatives**        | EITHER   |                  |
| <b>Building Cost Percentage Increase (if any)</b> | %        |                  |
| Site Specific Sustainability Initiatives (%)**    | OR       |                  |
| Wheelchair provision (%)                          |          |                  |
| Code for Sustainable Homes (%)                    |          |                  |
| Other (%)                                         |          |                  |

\*\* Only one sustainability initiatives box should have a value / percentage.

|                                                | Amount (£) | Month of Payment |
|------------------------------------------------|------------|------------------|
| <b>Subsidies (possibly EP Gap Funding)</b>     |            |                  |
| Subsidies for infrastructure, remediation etc. |            |                  |

**OTHER COSTS****SITE ACQUISITION COSTS**

|                               | %                              |
|-------------------------------|--------------------------------|
| Agents Fees (% of site value) | 1 00% (typically around 1%)    |
| Legal Fees (% of site value)  | 0 75% (typically around 0.75%) |
| Stamp Duty (% of site value)  | 5 00%                          |
|                               | Cost (£)                       |
| Other Acquisition Costs (£)   |                                |

**FINANCE COSTS**

|                               |       |                               |
|-------------------------------|-------|-------------------------------|
| Arrangement Fee (£)           |       |                               |
| Interest Rate (%)             | 8 00% | (typically around 1.5% to 3%) |
| Misc Fees - Surveyors etc (£) |       |                               |

**Marketing Costs**

Affordable Housing Marketing Costs

|                                              | Cost (£) | Timing (month) |
|----------------------------------------------|----------|----------------|
| Developer cost of sale to RSL (£)            |          |                |
| RSL on-costs (£)                             |          |                |
| Intermediate Housing Sales and Marketing (£) |          |                |

Open Market Housing Marketing Costs

|                                               |        |                                  |
|-----------------------------------------------|--------|----------------------------------|
| Sales Fees (agents fees & marketing fees) - % | 2 00%  | (typically around 6%)            |
| Legal Fees (per Open Market unit) - £         | £1 000 | (typically around £600 per unit) |

**BUILDING PERIOD**

|                    | Timing<br>(month) |                                             |
|--------------------|-------------------|---------------------------------------------|
| Construction Start | 1                 | (whole number, minimum of 0, maximum of 60) |
| Construction End   | 12                | (whole number, minimum of 0, maximum of 60) |

**DEVELOPER'S 'PROFIT' (before taxation)**

|                         | % of Housing<br>Capital Value |                        |
|-------------------------|-------------------------------|------------------------|
| Open Market Housing (%) | 15 00%                        | (typically around 15%) |
| Affordable Housing (%)  |                               | (typically around 6%)  |

## GVA GRIMLEY & BESPOKE PROPERTY GROUP THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

### INPUT SHEET 3 - COMMERCIAL & NON-RESIDENTIAL

#### OFFICE ASSUMPTIONS

|                                                         |                           |
|---------------------------------------------------------|---------------------------|
| Size of office scheme (gross sq m)                      | 232                       |
| Size of office scheme (net lettable sq m)               | 117                       |
| <b>Values</b>                                           |                           |
| Rent (£ psm)                                            | £275                      |
| Yield (%)                                               | 8 00%                     |
| Purchaser's costs (% of value)                          | 5 75%                     |
| <b>Building Costs</b>                                   |                           |
| Office Building Costs (Gross, £ psm)                    | £980                      |
| Office Building Professional Fees (% of building costs) | 10 00%                    |
| Building Contingencies (% of building costs)            | 5 00%                     |
| <b>Timing</b>                                           | <b>Timing<br/>(month)</b> |
| Start of Building Period (month)                        | 1                         |
| End of Building Period (month)                          | 12                        |
| Timing of Letting / Sale (month)                        | 12                        |
| <b>Letting, Advertising &amp; Sale fees</b>             |                           |
| Letting fees (% of annual income)                       | 10 00%                    |
| Advertising fees (% of annual income)                   | 1 00%                     |
| Sale fees (% of sale price)                             | 1 75%                     |
| <b>Return for risk / profit (% of value)</b>            | 10 00%                    |

#### RETAIL ASSUMPTIONS

|                                                         |                           |
|---------------------------------------------------------|---------------------------|
| Size of retail scheme (gross sq m)                      |                           |
| Size of retail scheme (net lettable sq m)               |                           |
| <b>Values</b>                                           |                           |
| Rent (£ psm)                                            |                           |
| Yield (%)                                               |                           |
| Purchaser's costs (% of value)                          |                           |
| <b>Building Costs</b>                                   |                           |
| Retail Building Costs (Gross, £ psm)                    |                           |
| Retail Building Professional Fees (% of building costs) |                           |
| Building Contingencies (% of building costs)            |                           |
| <b>Timing</b>                                           | <b>Timing<br/>(month)</b> |
| Start of Building Period (month)                        |                           |
| End of Building Period (month)                          |                           |
| Timing of Letting / Sale (month)                        |                           |
| <b>Letting / sale fees</b>                              |                           |
| Letting (% of income)                                   |                           |
| Advertising (% of annual income)                        |                           |
| Sale (% of sale price)                                  |                           |
| <b>Return for risk / profit (% of value)</b>            |                           |

**INDUSTRIAL ASSUMPTIONS**

Size of industrial scheme (gross sq m)

**Values**

Rent (£ psm)

Yield (%)

Purchaser's costs (% of value)

**Building Costs**

Industrial Building Costs (Gross, £ psm)

Industrial Building Professional Fees (% of building costs)

Building Contingencies (% of building costs)

**Timing  
(month)****Timing**

Start of Building Period (month)

End of Building Period (month)

Timing of Letting / Sale (month)

**Letting / sale fees**

Letting (% of income)

Advertising (% of annual income)

Sale (% of sale price)

**Return for risk / profit (% of value)****LEISURE ASSUMPTIONS**

Size of Leisure scheme (gross sq m)

Size of Leisure scheme (net lettable sq m)

**Values**

Rent (£ psm)

Yield (%)

Purchaser's costs (% of value)

**Building Costs**

Leisure Building Costs (Gross, £ psm)

Leisure Building Professional Fees (% of building costs)

Building Contingencies (% of building costs)

**Timing  
(month)****Timing**

Start of Building Period (month)

End of Building Period (month)

Timing of Letting / Sale (month)

**Letting / sale fees**

Letting (% of income)

Advertising (% of annual income)

Sale (% of sale price)

**Return for risk / profit (% of value)**

**COMMUNITY USE ASSUMPTIONS**

Size of Community-use scheme (gross sq m)  
 Size of Community-use scheme (net lettable sq m)

**Values**

Rent (£ psm)  
 Yield (%)  
 Purchaser's costs (% of value)

**Building Costs**

Community-use Building Costs (Gross, £ psm)  
 Community-use Building Professional Fees (% of building costs)  
 Building Contingencies (% of building costs)

**Timing**

Start of Building Period (month)  
 End of Building Period (month)  
 Timing of Letting / Sale (month)

**Timing  
(month)**

**Letting / sale fees**

Letting (% of income)  
 Advertising (% of annual income)  
 Sale (% of sale price)

**Return for risk / profit (% of value)**

## GVA GRIMLEY & BESPOKE PROPERTY GROUP THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

### SUMMARY

Site Address 13-15 Station Road, Reading, RG1 1LG  
 Site Reference  
 Scheme Description Conversion of upper floors into 7 apartments.  
 Date 12/02/2025  
 Site Area (hectares)  
 Author & Organisation S106 Management Ltd  
 Housing Corporation Officer

### Housing Mix (Affordable + Open Market)

|                                               |         |                    |
|-----------------------------------------------|---------|--------------------|
| Total Number of Units                         | 7       | units              |
| Total Number of Open Market Units             | 7       | units              |
| Total Number of Affordable Units              | 0       | units              |
| Total Net Internal Area (sq m)                | 395     | sq m               |
| Total Habitable Rooms                         | 0       | habitable rooms    |
| % Affordable by Unit                          | 0.0%    |                    |
| % Affordable by Area                          | 0.0%    |                    |
| % Affordable by Habitable Rooms               | -       |                    |
| % Social Rented within the Affordable Housing | -       | by number of units |
| % Social Rented within the Affordable Housing | #DIV/0! | by area            |
| % Social Rented within the Affordable Housing | -       | by habitable rooms |
| Total Number of A/H Persons                   | 0       | Persons            |
| Total Number of Social Rented Persons         | 0       | Persons            |
| Total Number of Intermediate Persons          | 0       | Persons            |
| Total Number of Open Market Persons           | 0       | Persons            |
| Total Number of Persons                       | 0       | Persons            |
| Site Area                                     | 0.00    | hectares           |
| Net Internal Housing Area / Hectare           | -       | sq m / hectare     |

### Residential Values

#### Affordable Housing Tenure 1:

#### Social Rented

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

Total Capital Value of Affordable Housing Tenure 1

£0

#### Affordable Housing Tenure 2:

#### Intermediate - Shared Ownership

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

Owner-occupied / rented % share

-

Capital Value of owner-occupied part

-

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

**Total Capital Value of Affordable Housing Tenure 2** £0

**Affordable Housing Tenure 3:** **Intermediate - Discounted Market Sale**

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

% of Open Market Value 100%

**Total Capital Value of Affordable Housing Tenure 3** £0

**Affordable Housing Tenure 4:** **Intermediate - Other Type of Shared Ownership / Shared Equity**

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

Owner-occupied / rented % share -

Capital Value of owner-occupied part

-

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

**Total Capital Value of Affordable Housing Tenure 4** £0

Affordable Housing Tenure 5:Intermediate - Discounted Market Rented

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

**Total Capital Value of Affordable Housing Tenure 5** £0

**TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING)** £0

**Social Housing Grant**

|                                                 | Grant per unit (£) | Number of<br>Units | Grant (£) |
|-------------------------------------------------|--------------------|--------------------|-----------|
| Social Rented                                   | £0                 | 0                  | £0        |
| Intermediate - Shared Ownership                 | £0                 | 0                  | £0        |
| Intermediate - Discounted Market Sale           | £0                 | 0                  | £0        |
| Intermediate - Other Type of Shared Ownership / | £0                 | 0                  | £0        |
| Intermediate - Discounted Market Rented         | £0                 | 0                  | £0        |
| <b>SHG Total</b>                                | -                  | 0                  | £0        |

Social Housing Grant per Affordable Housing Person -

Social Housing Grant per Social Rented Person -

Social Housing Grant per Intermediate Person -

**TOTAL VALUE OF SOCIAL HOUSING GRANT** £0

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**OTHER SUBSIDIES SUCH AS EP GAP FUNDING** £0

**TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING)** £0

Open Market Housing

| Type of Open Market Housing | Net Area<br>(sq m) | Revenue<br>(£ / sq m) | Total Revenue<br>(£) |
|-----------------------------|--------------------|-----------------------|----------------------|
| Flats                       | 395                | £5 190                | £2 050 000           |
| -                           | -                  | -                     | -                    |
| -                           | -                  | -                     | -                    |
| -                           | -                  | -                     | -                    |
| -                           | -                  | -                     | -                    |
| <b>Total</b>                | 395                | -                     | £2 050 000           |

**TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING** £2 050 000

**Car Parking**

| No. of Spaces | Price per Space (£) | Value |
|---------------|---------------------|-------|
| -             | -                   | -     |

**TOTAL VALUE OF CAR PARKING** £0

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £2 050 000

**Non-Residential Values**

|               |  |          |          |
|---------------|--|----------|----------|
| Office        |  | £380 319 |          |
| Retail        |  | £0       |          |
| Industrial    |  | £0       |          |
| Leisure       |  | £0       |          |
| Community-use |  | £0       | £380 319 |

|                                                      |                 |
|------------------------------------------------------|-----------------|
| <b>TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b> | <b>£380 319</b> |
|------------------------------------------------------|-----------------|

|                              |                   |
|------------------------------|-------------------|
| <b>TOTAL VALUE OF SCHEME</b> | <b>£2 430 319</b> |
|------------------------------|-------------------|

**Residential Building, Marketing & Section 106 Costs**

|                                 |            |            |
|---------------------------------|------------|------------|
| Affordable Housing Build Costs  | £0         |            |
| Open Market Housing Build Costs | £1 141 400 | £1 141 400 |

**Cost Multipliers**

|                                                |      |    |
|------------------------------------------------|------|----|
| Site Specific Sustainability Initiatives (%)** | 0 0% | £0 |
| Wheelchair provision (%)                       | 0 0% | £0 |
| Code for Sustainable Homes (%)                 | 0 0% | £0 |
| Other (%)                                      | 0 0% | £0 |

|                                     |    |
|-------------------------------------|----|
| Residential Car Parking Build Costs | £0 |
|-------------------------------------|----|

|                             |                   |
|-----------------------------|-------------------|
| <b>Total Building Costs</b> | <b>£1 141 400</b> |
|-----------------------------|-------------------|

**OTHER SITE COSTS**

|                                          |       |          |
|------------------------------------------|-------|----------|
| Building Contingencies                   | 5 0%  | £57 070  |
| Building Cost Fees (Architects, QS etc): | 10 0% | £119 847 |
| Other Acquisition Costs (£)              |       | £0       |

**Section 106 Costs (£)**

|     |   |        |
|-----|---|--------|
| CIL |   | £0     |
|     | 0 | £0     |
| BNG |   | £8 560 |
|     | 0 | £0     |
|     | 0 | £0     |

**Site Abnormals**

|                            |         |
|----------------------------|---------|
| Infrastructure Costs       | £97 500 |
| Contamination Costs        | £0      |
| Demolition Costs           | £0      |
| Other Costs                | £0      |
| Sustainability Initiatives | £0      |

|                               |                 |
|-------------------------------|-----------------|
| <b>Total Other Site Costs</b> | <b>£282 977</b> |
|-------------------------------|-----------------|

**Marketing (Open Market Housing ONLY)**

|                                    |        |         |
|------------------------------------|--------|---------|
| Sales Fees:                        | 2 0%   | £41 000 |
| Legal Fees (per Open Market unit): | £1 000 | £7 000  |

**Marketing (Affordable Housing)**

|                                              |    |
|----------------------------------------------|----|
| Developer cost of sale to RSL (£)            | £0 |
| RSL on-costs (£)                             | £0 |
| Intermediate Housing Sales and Marketing (£) | £0 |

|                              |                |
|------------------------------|----------------|
| <b>Total Marketing Costs</b> | <b>£48 000</b> |
|------------------------------|----------------|

**Non-Residential Building & Marketing Costs****Building Costs**

|               |          |          |
|---------------|----------|----------|
| Office        | £238 665 |          |
| Retail        | £0       |          |
| Industrial    | £0       |          |
| Leisure       | £0       |          |
| Community-use | £0       | £238 665 |

**Professional Fees (Building, Letting & Sales)**

|               |         |         |
|---------------|---------|---------|
| Office        | £34 061 |         |
| Retail        | £0      |         |
| Industrial    | £0      |         |
| Leisure       | £0      |         |
| Community-use | £0      | £34 061 |

|                                    |                 |
|------------------------------------|-----------------|
| <b>Total Non-Residential Costs</b> | <b>£272 726</b> |
|------------------------------------|-----------------|

|                            |                      |
|----------------------------|----------------------|
| <b>TOTAL DIRECT COSTS:</b> | <b>£1 745 103 82</b> |
|----------------------------|----------------------|

**Finance (finance costs are only displayed if there is a positive residual site value)**

|                           |         |
|---------------------------|---------|
| Arrangement Fee           | £0      |
| Misc Fees (Surveyors etc) | £0      |
| Agents Fees               | £2 279  |
| Legal Fees                | £1 709  |
| Stamp Duty                | £11 396 |
| Total Interest Paid       | £96 374 |

|                            |                 |
|----------------------------|-----------------|
| <b>Total Finance Costs</b> | <b>£111 759</b> |
|----------------------------|-----------------|

**Developer 'Profit'****Residential**

|                                        |          |
|----------------------------------------|----------|
| Open Market Housing Operating 'Profit' | £307 500 |
| Affordable Housing 'Profit'            | £0       |

**Non-residential**

|               |         |         |
|---------------|---------|---------|
| Office        | £38 032 |         |
| Retail        | £0      |         |
| Industrial    | £0      |         |
| Leisure       | £0      |         |
| Community-use | £0      | £38 032 |

|                               |                 |
|-------------------------------|-----------------|
| <b>Total Operating Profit</b> | <b>£345 532</b> |
|-------------------------------|-----------------|

**Residual Site Value**

|                         |                 |
|-------------------------|-----------------|
| <b>SITE VALUE TODAY</b> | <b>£227 925</b> |
|-------------------------|-----------------|

|                    |          |
|--------------------|----------|
| EXISTING USE VALUE | £525 000 |
|--------------------|----------|

|                                                      |           |
|------------------------------------------------------|-----------|
| DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE | -£297 075 |
|------------------------------------------------------|-----------|

**Checks:**

|                                                  |         |
|--------------------------------------------------|---------|
| Site Value as a Percentage of Total Scheme Value | 9 4%    |
| Site Value per hectare                           | #VALUE! |

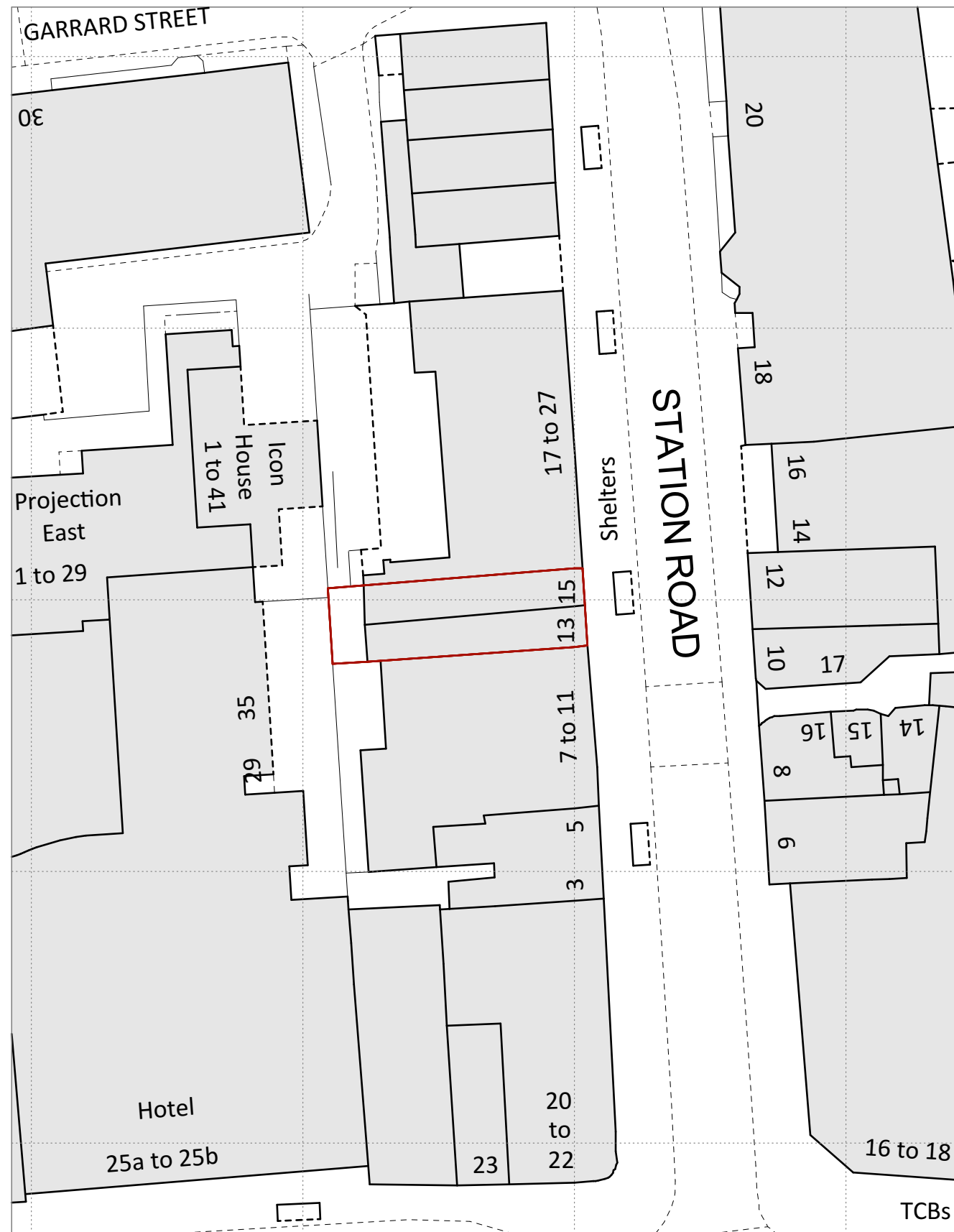
# Schedule 2



© Crown copyright 2022 Ordnance Survey 100053143

LOCATION PLAN

1:1250



EXISTING BLOCK PLAN

1:500

Project **13-15 Station Road**  
Station Road, Reading

Client **Faye and Yara Limited**

Drawing **Location Plan & Block Plan**

Scale **1:500 @ A3**

Date **24/11/2022**

Drawn by **JS**

Status **Planning**

Drawing Number **2209 - PL01**

# Schedule 3

e.g. 'Dalberg Road', 'York', or 'SW16 1QS'

Search

House Prices in RG1 1LG

Sales of flats around RG1 1LG have an overall average sold price of £250,360 over the last year.

Properties Sold

Within ½ mile

Within the last year

Flats / Apartments

All tenures

46 results Sort: Date sold

Flat 603, Hewitt, 40, Alfred Street, Reading RG1 7LS

Flat Leasehold



No other historical records.

Flat 20, Summit House 49-51, Greyfriars Road, Reading RG1 1PA

Flat Leasehold



No other historical records.

Flat 14, 25, Carraway Street, Reading RG1 3GQ

Flat Leasehold



No other historical records.

Flat 5, Hunsaker, Alfred Street, Reading RG1 7AU

Flat Leasehold



Flat 51, Hermitage, Chatham Street, Reading RG1 7LF

Flat Leasehold



No other historical records.

Flat 5, The Picture House, Cheapside, Reading RG1 7AB

Flat 2 Leasehold



No other historical records.

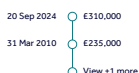
1, Deansgate Road, Reading RG1 2RZ

Flat 1 Leasehold



27, Waterside Gardens, Reading RG1 6QE

Flat 3 Leasehold



RG1 1LG

Clear+ 1/4 mile

Filters (5)

Flats For Sale in RG1 1LG, including sold STC, within 0.25 miles, don't show new home, retirement, buying schemes > ☆ Save search ⚙ Create Alert

30 results

Newest Listed

1/17

FEATURED PROPERTY

Friary Court, Tudor Road, Reading

Apartment

222

0.19 miles

Elegant and contemporary, this stunning penthouse apartment offers a luxurious and spacious living environment in a prime central location within a stone's throw of Reading train station. Boasting two bedrooms, this property is the epitome of modern town living. The open-plan layout and large win...

SOLD STC

Added yesterday by Romans, Reading

£350,000

romans

1/17

Friary Court, Tudor Road, Reading

Apartment

222

0.19 miles

Elegant and contemporary, this stunning penthouse apartment offers a luxurious and spacious living environment in a prime central location within a stone's throw of Reading train station. Boasting two bedrooms, this property is the epitome of modern town living. The open-plan layout and large win...

SOLD STC

Added yesterday by Romans, Reading

£350,000

romans

Save

1/6

Merchants Place, Reading, Berkshire, RG1

Apartment

111

0.03 miles

Offered to the market with no onward chain is this one bedroom apartment. Ideally located within walking distance of the mainline train station as well as the wide range of shops, restaurants, gyms and River Thames.

Added on 20/01/2025 by Parkers, Reading

£180,000

parkers

Save

1/7

High Street, Reading, Berkshire

Apartment

111

0.20 miles

\*\*NO ONWARD CHAIN COMPLICATIONS\*\* Hunters Reading are pleased to offer this one bedroom apartment in the heart of Reading Town Centre. The property offers an open plan kitchen/living area, double bedroom with storage space and a fitted bathroom with a shower over bath. The property is a...

Reduced on 17/01/2025 by Hunters, Reading

£165,000

HUNTERS

Save

1/22

St James Wharf, Reading, Berkshire

Penthouse

222

0.20 miles

1300 SQFT OF SPACE WITH WATER VIEWS. St James wharf is a very impressive, warehouse style development that is an extremely short walk to the restaurants and shops of Reading town centre with easy access to the station. The property is an extremely spacious penthouse apartment with views of the R...

Reduced on 02/01/2025 by Nicholas Estate Agents, Caversham

£445,000

NEA

Save

1/5

Kings Road, Reading, Berkshire, RG1

Apartment

221

0.25 miles

\*\*Investment Opportunity\*\* This two-bedroom upper-floor apartment in Reading town centre offers easy access to amenities, restaurants, transport, & is just over 1/4 mile from Reading station. Sold with tenant in situ, generating a 6.9% gross yield. EPC D.

Added on 05/12/2024 by Davis Tate, Reading

£260,000

davis tate

Save

1/7

Station Road, Reading, Berkshire, RG1

Apartment

111

0.01 miles

Offered to the market with no onward chain is this one bedroom apartment. Ideally located within walking distance of the mainline train station as well as the wide range of shops, restaurants, gyms and River Thames.

Reduced on 25/11/2024 by Parkers, Reading

£145,000

Offers in Excess of

parkers

Save

1/12

Icon House, Merchants Place, Reading, Berkshire, RG1

Apartment

111

0.02 miles

Nestled in a sought-after Town Centre location, under 200 metres from Reading Train Station, this sleek upper floor apartment epitomizes modern urban living.

SOLD STC

Reduced on 18/11/2024 by Winkworth, Reading

£180,000

Guide Price

Winkworth

Save

1/7

Thorn Walk, Reading, RG1

Apartment

111

0.25 miles

Arins Property Services are pleased to bring to the market this modern one bedroom 2nd floor apartment based in the heart of Reading Town Centre. Only a few

SOLD STC

Reduced on 14/11/2024 by Arins Property Services, Tilehurst

£190,000

Offers in Excess of

arins

Save

https://www.rightmove.co.uk/property-for-sale/find.html?locationIdentifier=POSTCODE%5E1656245&radius=0.25&sortType=6&propertyTypes=flat&include...

1/3

Flats For Sale in RG1 1LG, including sold STC, within 1 miles, don't show retirement, buying schemes > ☆ Save search 🔔 Create Alert

7 results

Highest Price ▾📍

🏠 Prioritise properties with... + Add keyword

- 1/7

FEATURED NEW HOME - AIR SOURCE HEAT PUMP



Caversham Road, Caversham, Reading, RG1 8AR

1 bedroom apartment for sale

0.35 miles

The Ouse is a brand new, chain free, energy efficient home, featuring an OPEN-PLAN kitchen, living and dining room, spacious DOUBLE BEDROOM, balcony and modern bathroom plus a 10-year NHBC Buildmark policy\*.

NEW HOME

Added on 12/06/2024 by Bellway Homes (Thames Valley)

£282,500

Bellway

📍📧

📖
- 1/8



Caversham Road, Caversham, Reading, RG1 8AR

3 bedroom apartment for sale

0.35 miles

The Swale is a brand new, chain free, energy efficient home, featuring an OPEN-PLAN kitchen, living & dining area, BALCONY, spacious two DOUBLE bedrooms, modern family bathroom and a 10-year NHBC Buildmark policy\*.

NEW HOME

Added on 29/05/2024 by Bellway Homes (Thames Valley)

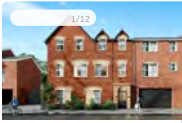
£450,000

AIR SOURCE HEAT PUMP

Bellway

📍📧

📖 Save
- 1/12



North Street, Caversham, Reading, Berkshire, RG4

3 bedroom apartment for sale

0.75 miles

A spacious two/three first floor apartment in this bespoke gated development of just five new homes. Conveniently located in the heart of Caversham close to an

NEW HOME SOLD STC

Added on 09/12/2024 by Winkworth, Reading

£400,000

Offers in Excess of

Winkworth

📍📧

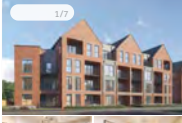
📖 Save
- SPONSORED



A collection of 1 & 2 bedroom apartments offering on-site amenities. Exclusive offers available.\*

L&Q

Find out more
- 1/7



Caversham Road, Caversham, Reading, RG1 8AR

2 bedroom apartment for sale

0.35 miles

The Wiltam is a brand new, chain free, energy efficient home, featuring an OPEN-PLAN kitchen, living and dining room, PARKING, double master bedroom, BALCONY with bi-folding doors and a 10-year NHBC Buildmark policy\*.

NEW HOME

Added on 22/05/2024 by Bellway Homes (Thames Valley)

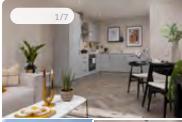
£380,000

AIR SOURCE HEAT PUMP

Bellway

📍📧

📖 Save
- 1/7



Caversham Road, Caversham, Reading, RG1 8AR

1 bedroom apartment for sale

0.35 miles

The Ouse is a brand new, chain free, energy efficient home, featuring an OPEN-PLAN kitchen, living and dining room, spacious DOUBLE BEDROOM, balcony and modern bathroom plus a 10-year NHBC Buildmark policy\*.

NEW HOME

Added on 12/06/2024 by Bellway Homes (Thames Valley)

£282,500

AIR SOURCE HEAT PUMP

Bellway

📍📧

📖 Save
- 1/12



Prospect Street, Caversham, Reading, Berkshire, RG4

1 bedroom bungalow for sale

0.75 miles

A unique ground floor maisonette set in this exclusive gated development. Conveniently located in the heart of Caversham close to an excellent selection of

NEW HOME SOLD STC

Added on 17/10/2024 by Winkworth, Reading

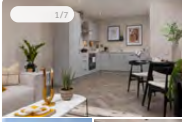
£280,000

Guide Price

Winkworth

📍📧

📖 Save
- 1/7



Caversham Road, Caversham, Reading, RG1 8AR

1 bedroom apartment for sale

0.35 miles

The Wye is a brand new, chain free, energy efficient home, featuring an OPEN-PLAN kitchen, living and dining room, spacious DOUBLE BEDROOM, balcony and modern bathroom plus a 10-year NHBC Buildmark policy\*.

NEW HOME

Added on 12/06/2024 by Bellway Homes (Thames Valley)

£280,000

AIR SOURCE HEAT PUMP

Bellway

📍📧

📖 Save
- 1/9



Market Place, Reading, Berkshire, RG1

1 bedroom flat for sale

0.16 miles

We are delighted to offer this spacious one double bedroom apartment located in the heart of Reading town center and within a few minutes walk of Reading train

NEW HOME

Reduced on 13/10/2023 by Queensgate Residential, Reading

£234,995

Guide Price

Queensgate Residential

📍📧

📖 Save

Source acknowledgement: House price data produced by Land Registry.  
This material was last updated on 07 January 2025. It covers the period from 01 January 1995 to 29 November 2024 and contains property transactions which have been registered during that period.  
Contains HM Land Registry data © Crown copyright and database right 2025. This data is licensed under the Open Government Licence v3.0.



**£13,334 pcm**

£160,008 pa

£38.50 per sq ft

Business rates & charges may apply

SIZE AVAILABLE

4,156 sq ft

386 sq m

MARKETED BY

**Bray Fox Smith Ltd, London**

2nd Floor Prince Frederick House 35-39 Maddox Street  
London W1S 2PP



Call

**Request details**

## Lease details

Lease available date: [Ask agent](#)

 No floor/site plan



## Description

Phoenix is a high quality town centre office building totalling 52,000 sq ft, arranged over ground and five upper floors – featuring a newly refurbished double height reception. The part first floor east has undergone a comprehensive refurbishment to offer 4,156 sq ft of fully fitted workspace complete with workstations, meeting rooms and a kitchen breakout area.

With easy access to the M4 at three junctions, Reading is ideally positioned to take advantage of the wider national motorway network and the M25. Heathrow Airport is 28 miles away.

- EPC B
- Secure cycle storage
- Excellent natural light
- BREEAM Very Good
- Showers, lockers and drying room
- 3 x 10 person passenger lifts
- Double height reception
- LED Lighting
- Air conditioning
- Flexible efficient floor plates
- Fully accessible raised floors
- On-site parking ratio of 1:978 sq ft

## Brochures

[View Brochure](#)



6/7



**£6,120 pcm**  
£73,440 pa

£27.00 per sq ft

Business rates & charges may apply

SIZE AVAILABLE

2,720 sq ft  
253 sq m

MARKETED BY

**Vail Williams, Reading**

550 Thames Valley Park, Reading, RG6 1RA



Call

Request details

## Lease details

Lease available date: [Ask agent](#)



## Key features

- Fully fitted second floor
- Next to Station Hill Development
- Refurbished WCs and shower facilities
- Suspended ceilings with recessed LED lighting
- 3 minutes walk from Reading Train Station
- 4 parking spaces
- 8 person passenger lift
- Air conditioning

## Description

### Description

The property is next to the £750m Station Hill Development which will complete in Q1 2024, providing lifestyle-led space for retail, cafes, restaurants, and a new pedestrian link and open space between the station and town centre.

The 2nd floor offers contemporary fully fitted accommodation available for immediate occupation.

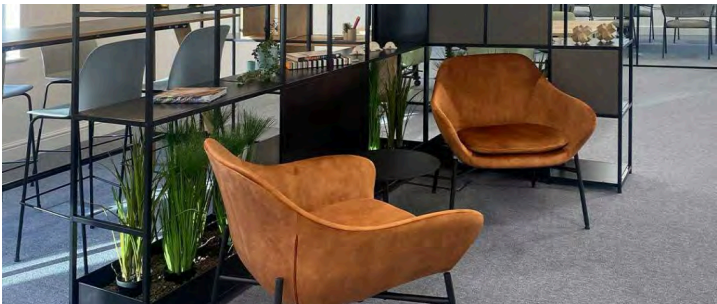
There is private and secure parking for 4 vehicles in the basement.

### Location

Reading Station, only 3 minutes from Greyfriars Gate, is a major UK transport hub and one of the most modern in the country. Its Elizabeth Line service allows passengers to travel into and beyond central London without having to change trains. Combining a mainline train with an Elizabeth Line service means the West End can be reached in around 30 minutes. M4 Junction 11 is 3 miles to the south, via the A33, and provides links to the national motorway network.

## Brochures

[View Brochure](#)



£6,233 pcm  
£74,796 pa

£27.50 per sq ft

Business rates & charges may apply  
SIZE AVAILABLE

2,720 sq ft  
253 sq m

MARKETED BY  
Lambert Smith Hampton, Reading  
Fora Space Thames Tower, Station Road, Reading, RG1 1LX



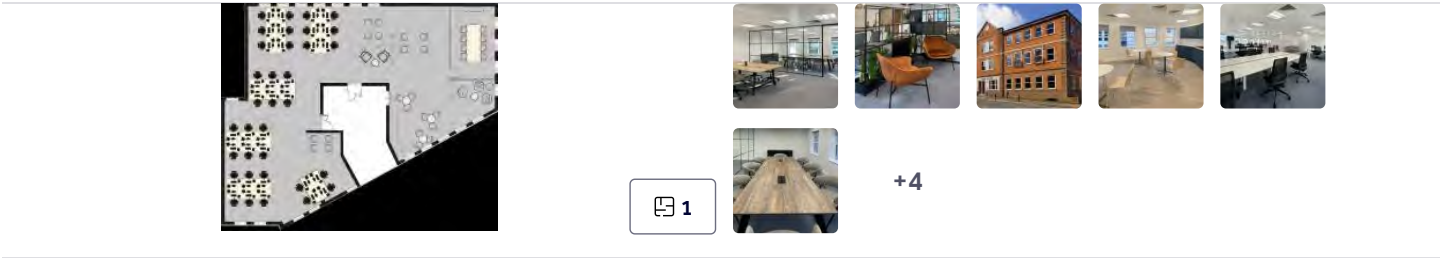
Call

Request details

Lease details

Lease available date: **Now**

Lease type: **Long term**



Key features

- Fully Fitted Offices in Reading Town Centre
- Excellent Parking Ratio of 1:680 sq ft (4 spaces)
- LED Lighting
- Next to Station Hill
- 3 minute walk from Reading Station
- Air Conditioning
- Newly Refurbished WCs and Shower Facilities
- 8 person passenger lift

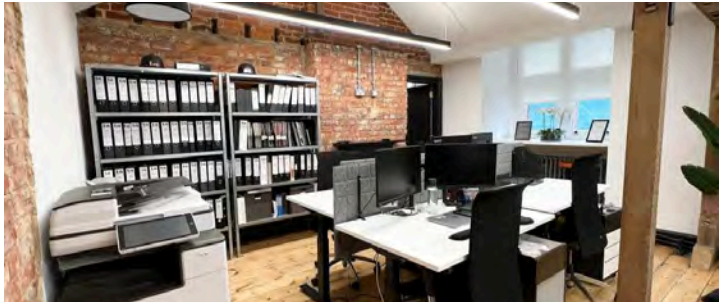
Description

Greyfriars Gate is a modern three storey office building, located just 3 minutes' walk from Reading Station and close to the town's major shopping and leisure facilities. The building offers newly fully fitted refurbished, contemporary accommodation available for immediate occupation. There is private and secure parking.

The property is next to the £750m Station Hill Development which will complete in Q1 2024, providing lifestyle-led space for retail, cafes, restaurants, and a new pedestrian link and open spaces.

Brochures

[View Brochure](#)



**£7,200 pcm**  
£86,400 pa

£91.24 per sq ft

Business rates & charges may apply  
SIZE AVAILABLE

947 sq ft  
88 sq m

MARKETED BY  
**Vail Williams, Reading**  
550 Thames Valley Park, Reading, RG6 1RA

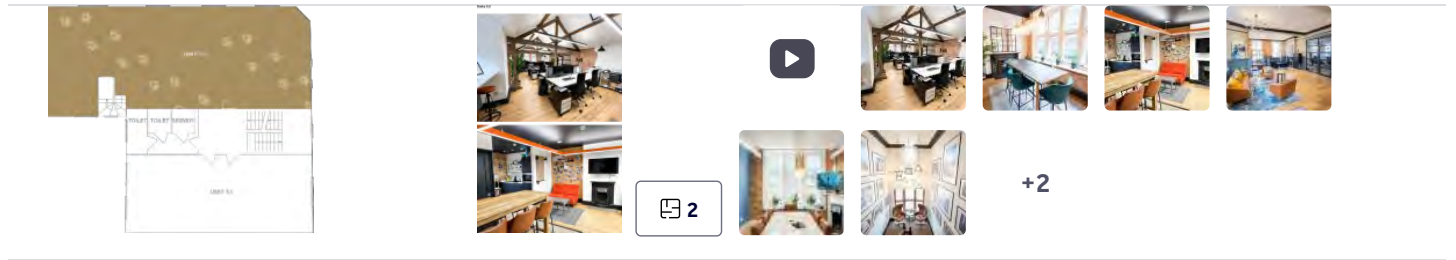


**Call**

**Request details**

## Lease details

Lease available date: [Ask agent](#)



## Key features

- All inclusive rent
- Kitchen within suite
- Dog friendly
- 2 min walk from Reading Train Station
- Suite can be provided furnished or unfurnished.
- Beautiful breakout spaces and bookable meeting rooms
- Community events
- WCs and Showers
- On-site Campus Manager

## Description

### Description

Suite 3.2 is a vibrant third-floor office nestled in the heart of Reading. This 947 sq ft suite is primed to accommodate approximately 18 desks, making it an ideal hub for your thriving business. Available for lease, this office includes a comprehensive set of amenities designed to enhance your work environment. From the convenience of an all-inclusive rent to the support of a dedicated campus manager, every aspect is tailored to streamline your experience. Engage in community events that foster collaboration, utilise breakout spaces for brainstorming sessions, and enjoy the ease of commuting with its prime location near the train station. The communal kitchen provides a welcoming space to recharge with complimentary coffee and tea. For those embracing an active lifestyle, the on-site shower offers convenience, while the pet-friendly atmosphere ensures your furry companions are welcomed members of the office community.

### Location

Located on Friar Street in Reading, Dog House enjoys an exceptional location for effortless access to the Reading mainline train station. Surrounded by an array of inviting lunch spots, charming cafes, retailers, and renowned restaurants, this prime location offers both convenience and a vibrant atmosphere right at your doorstep.

### VAT

Unless otherwise stated terms are strictly exclusive of Value Added Tax and interested parties must satisfy themselves as to the incidence of this tax in the subject case.

### Legal Costs

Each party to be responsible for their own legal costs incurred in this transaction.

### AML

In accordance with Anti-Money Laundering requirements, two forms of identification will be required from the purchaser or tenant and any beneficial owner together with evidence/proof identifying the source of funds being relied upon to complete the transaction.

## Brochures

[View Brochure](#)



**£2,000 pcm**  
£24,000 pa

£96.77 per sq ft

Business rates & charges may apply  
SIZE AVAILABLE

248 sq ft  
23 sq m

MARKETED BY  
**Vail Williams, Reading**  
550 Thames Valley Park, Reading, RG6 1RA



**Call**

**Request details**

Lease details

Lease available date: Ask agent

No floor/site plan



+3

Key features

- All inclusive rent
- Community events
- WCs and Showers
- On-site Campus Manager
- Beautiful breakout spaces and bookable meeting rooms
- Dog friendly
- 2 min walk from Reading Train Station

Description

**Description**  
Suite 2.2 is a vibrant second-floor office nestled in the heart of Reading. This 284 sq ft suite is primed to accommodate approximately 6 desks, making it an ideal hub for your thriving business. Available for lease, this office includes a comprehensive set of amenities designed to enhance your work environment. From the convenience of an all-inclusive rent to the support of a dedicated campus manager, every aspect is tailored to streamline your experience. Engage in community events that foster collaboration, utilise breakout spaces for brainstorming sessions, and enjoy the ease of commuting with its prime location near the train station. The communal kitchen provides a welcoming space to recharge with complimentary coffee and tea. For those embracing an active lifestyle, the on-site shower offers convenience, while the pet-friendly atmosphere ensures your furry companions are welcomed members of the office community.

**Location**  
Located on Friar Street in Reading, Dog House enjoys an exceptional location for effortless access to the Reading mainline train station. Surrounded by an array of inviting lunch spots, charming cafes, retailers, and renowned restaurants, this prime location offers both convenience and a vibrant atmosphere right at your doorstep.

**VAT**  
Unless otherwise stated terms are strictly exclusive of Value Added Tax and interested parties must satisfy themselves as to the incidence of this tax in the subject case.

**Legal Costs**  
Each party to be responsible for their own legal costs incurred in this transaction.

**AML**  
In accordance with Anti-Money Laundering requirements, two forms of identification will be required from the purchaser or tenant and any beneficial owner together with evidence/proof identifying the source of funds being relied upon to complete the transaction.

Brochures

[View Brochure](#)

# Schedule 4

# **BUDGET ESTIMATE OF COSTS**

**FOR**

**REFURBISHMENT, ALTERATION AND CONVERSION  
OF EXISTING BUILDING TO CREATE 7NR  
APARTMENTS AND 1NR RETAIL UNIT**

**AT**

**13-15 STATION ROAD, READING, RG1 1LG**

**FOR**

**FAYE AND YARA LTD**

David R Parker MRICS BSc Hons  
Chartered Quantity Surveyor  
4 Park Road  
Banstead  
Surrey  
SM7 3BY

FEBRUARY 2025

# **13-15 STATION ROAD, READING, RG1 1LG**

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|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 1.00 | <p><b>INTRODUCTION</b></p> <p>This report has been produced in order to provide budget estimate of costs for refurbishment, alteration and conversion to create 7nr apartments and 1nr retail unit at 13-15 Station Road, Reading, RG1 1LG for Faye and Yara Ltd.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 2.00 | <p><b>INFORMATION USED</b></p> <p>The following information has been used in formulating the estimate:</p> <ul style="list-style-type: none"> <li>- Proposed plans and elevations 2209/PL09/b-11b, 12, 13b.</li> <li>- Existing plans and elevations 2209/PL02/a-06a, 08a.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 3.00 | <p><b>BASIS OF ESTIMATING</b></p> <p>The estimate has been set out on an elemental basis and priced upon approximate quantity measurements taken from the drawings described in item 2.00 and priced upon competitive tender return at current levels.</p> <p>It has been assumed that the works will be carried out as one continuous operation and as one contract and with the building vacant at all times and the level of specification to a medium standard.</p> <p>Costs have been based upon a contract period of approximately 10-12 months.</p> <p>The location and vicinity of other buildings has been considered in the preparation of this estimate.</p> <p>Costs may be subject to revision on receipt of building regulation and structural drawings.</p> |  |  |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |

|             |                                                                                                                                                            |        |        |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS</b>                                                                                                          |        |        |
| 4.01        | DEMOLITIONS AND ALTERATIONS                                                                                                                                |        |        |
| -           | Carry out asbestos survey and remove etc.                                                                                                                  | 2,000  |        |
| -           | Strip out existing building back to shell retaining existing external walls, loadbearing partitions, staircases, floors where not specified to be removed. | 25,000 |        |
| -           | Remove roof coverings, insulation and rooflights including decking to flat roof areas.                                                                     | 5,000  |        |
| -           | Adapt openings from pair of doors to single (4nr).                                                                                                         | 2,600  |        |
|             |                                                                                                                                                            |        | 34,600 |
| 4.02        | FOUNDATIONS / SLAB (no works)                                                                                                                              |        |        |
| 4.03        | FRAME (no works)                                                                                                                                           |        |        |
| 4.04        | EXTERNAL WALLS                                                                                                                                             |        |        |
| -           | Clean stonework to front elevation by specialists.                                                                                                         | 5,000  |        |
| -           | Extra for sundry restoration works to store after cleaning – say.                                                                                          | 3,000  |        |
| -           | Repointing brickwork to front and rear elevation.                                                                                                          | 7,000  |        |
| -           | Extra for cutting out and replacing bricks as required – say.                                                                                              | 1,000  |        |
| -           | Take off and rebed coping stones front and rear.                                                                                                           | 800    |        |
|             |                                                                                                                                                            |        | 16,800 |
| 4.05        | ROOFS                                                                                                                                                      |        |        |
| -           | For roof covering removal see 4.01.                                                                                                                        | -      |        |
| -           | Insulation to pitched and flat roofs (118m <sup>2</sup> ).                                                                                                 | 3,500  |        |
| -           | Renew boarding to flat roofs including new firrings (102m <sup>2</sup> ).                                                                                  | 4,000  |        |
| -           | Sarna or similar flat roof coverings including all flashings/upstands (102m <sup>2</sup> ).                                                                | 7,500  |        |
| -           | Extra for lead flashings to perimeter (56m).                                                                                                               | 3,000  |        |
| -           | Extra for upstands at rooflights (8nr).                                                                                                                    | 800    |        |
| -           | Rooflights to flat roof including all flashings (8nr).                                                                                                     | 5,400  |        |
| -           | Cover pitched roofs with felt, battens and natural Welsh slates (area on plan) (16m <sup>2</sup> ).                                                        | 3,500  |        |
| -           | Extra for ridges/hips (8m).                                                                                                                                | 400    |        |
| -           | Extra around rooflight (2nr).                                                                                                                              | 200    |        |
|             |                                                                                                                                                            |        |        |
|             | C/F £                                                                                                                                                      | 28,300 | 51,400 |

|             |                                                                                                                               |        |         |
|-------------|-------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                                      |        |         |
|             | B/F £                                                                                                                         | 28,300 | 51,400  |
| 4.05        | ROOFS (CONT)                                                                                                                  |        |         |
| -           | Extra for lead flashings at abutments (10m).                                                                                  | 500    |         |
| -           | Extra for capping detail at flat roof (8m).                                                                                   | 800    |         |
| -           | Extra for lead valley (6m).                                                                                                   | 600    |         |
| -           | Extra for all ventilation.                                                                                                    | 500    |         |
| -           | Renew lead parapet gutter including boarding and framing (10m).                                                               | 2,500  |         |
| -           | Rooflights to pitched roof including flashings (2nr).                                                                         | 2,400  |         |
| -           | Renew roof to bay.                                                                                                            | 1,500  |         |
| -           | Renew rainwater pipes and gutters with cast iron effect plastic.                                                              | 2,500  |         |
|             |                                                                                                                               |        | 39,600  |
| 4.06        | UPPER FLOORS                                                                                                                  |        |         |
| -           | Upgrade existing floor for insulation and replace boarding/decking first to fourth floor (396m <sup>2</sup> ).                | 15,800 |         |
| -           | Extra for WBP ply to tiled floors (46m <sup>2</sup> ).                                                                        | 400    |         |
| -           | Level existing first to fourth floors (396m <sup>2</sup> ).                                                                   | 9,900  |         |
| -           | Renew boarding and level floors common areas (58m <sup>2</sup> ).                                                             | 1,600  |         |
| -           | Extra for WBP ply to tiled floors (12m <sup>2</sup> ).                                                                        | 100    |         |
| -           | Strengthen existing floor under new partitions.                                                                               | 1,800  |         |
|             |                                                                                                                               |        | 29,600  |
| 4.07        | STAIRCASES AND LIFT                                                                                                           |        |         |
| -           | Lift from basement to fourth floor lobby including all controls and removing existing, adapt existing shaft to suit new lift. | 55,000 |         |
| -           | Overhaul and upgrade existing staircase ground to fourth floor (minor works) – say.                                           | 2,000  |         |
|             |                                                                                                                               |        | 57,000  |
| 4.08        | WINDOWS, DOORS AND SCREENS                                                                                                    |        |         |
| -           | New entrance door and glazed side panels with release system for CCTV (metal frame).                                          | 7,000  |         |
| -           | Remove existing sash windows and replace with hardwood double glazed sash windows to match (16nr).                            | 19,000 |         |
| -           | Remove and replace glazed screens to rear elevation (8nr) (metal).                                                            | 16,000 |         |
| -           | Secondary glazing to front windows in timber frame (16nr).                                                                    | 16,000 |         |
|             |                                                                                                                               |        |         |
|             | C/F £                                                                                                                         | 58,000 | 177,600 |

|             |                                                                                                                                                                                                                                                               |        |         |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                                                                                                                                                                      |        |         |
|             | B/F £                                                                                                                                                                                                                                                         | 58,000 | 177,600 |
| 4.08        | WINDOWS, DOORS AND SCREENS (CONT)                                                                                                                                                                                                                             |        |         |
| -           | Cill boards to front windows (16nr).                                                                                                                                                                                                                          | 1,200  |         |
|             |                                                                                                                                                                                                                                                               |        | 59,200  |
| 4.09        | INTERNAL PARTITIONS (for upgrading existing walls see wall finishes)                                                                                                                                                                                          |        |         |
| -           | Studwork in two leaves between flats and common areas complete with insulation, plasterboard and skim coat to each side, fireproofing, forming door openings etc (107m²).                                                                                     | 12,300 |         |
| -           | Softwood/metal stud partitions within apartments complete with insulation, one layer plasterboard and skim coat to each side incl forming all door openings (442m²).                                                                                          | 25,600 |         |
| -           | Ashlar walls to fourth floor (10m²).                                                                                                                                                                                                                          | 500    |         |
|             |                                                                                                                                                                                                                                                               |        | 38,400  |
| 4.10        | INTERNAL DOORS                                                                                                                                                                                                                                                |        |         |
| -           | Front door to each apartment (FD30), flush plywood faced to receive paint finish including all ironmongery, all to Secured by Design (supply ironmongery £150/door) (7nr).                                                                                    | 6,300  |         |
| -           | Doors within apartment, flush plywood faced to receive paint finish, softwood lining and architrave including all stainless steel effect ironmongery (supply ironmongery £50/door) (37nr) (includes bike store, boiler room and lift motor room to basement). | 22,200 |         |
| -           | Ditto pair of doors to bin store and electric cupboard (2nr).                                                                                                                                                                                                 | 1,800  |         |
| -           | Ditto pair doors utility (7nr).                                                                                                                                                                                                                               | 6,400  |         |
| -           | Ditto single doors with glass viewing panel to ground and fourth floor (3nr).                                                                                                                                                                                 | 3,000  |         |
| -           | Ditto 1 ½ pairs of doors (1nr).                                                                                                                                                                                                                               | 1,400  |         |
| -           | Overhaul door to hatch access (1nr).                                                                                                                                                                                                                          | 200    |         |
|             |                                                                                                                                                                                                                                                               |        | 41,300  |
| 4.11        | JOINERY                                                                                                                                                                                                                                                       |        |         |
| -           | Supply and fit kitchen including worktops, splashbacks and white goods (washing machine, fridge/freezer, dishwasher, hob, oven, extractor, sink and taps) (supply £11,000.00 allowed) (7nr).                                                                  | 87,500 |         |
| -           | Units to utility (white goods incl above) (minimal) (7nr).                                                                                                                                                                                                    | 2,100  |         |
| -           | Wardrobes (spray painted MDF) (by owner).                                                                                                                                                                                                                     | -      |         |
|             | C/F £                                                                                                                                                                                                                                                         | 89,600 | 316,500 |

|             |                                                                                                                                               |        |         |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                                                      |        |         |
|             | B/F £                                                                                                                                         | 89,600 | 316,500 |
| 4.11        | JOINERY (CONT)                                                                                                                                |        |         |
| -           | Service riser cupboards including doors.                                                                                                      | 1,000  |         |
| -           | Boxings/ductwork/joinery bathrooms.                                                                                                           | 5,000  |         |
| -           | Skirtings simple profile softwood or MDF to all rooms and common areas except bathrooms.                                                      | 8,700  |         |
| -           | Mirrors to bathrooms (8nr).                                                                                                                   | 1,600  |         |
| -           | Sundry boxing and the like.                                                                                                                   | 5,000  |         |
| -           | Bike holder (7nr).                                                                                                                            | 2,000  |         |
| -           | Letter boxes ground floor.                                                                                                                    | 600    |         |
| -           | Battens to windows for curtains.                                                                                                              | 1,000  |         |
|             |                                                                                                                                               |        | 114,500 |
| 4.12        | FLOOR FINISHES                                                                                                                                |        |         |
| -           | Prefinished wood effect flooring (lamine) on underlay to all rooms except bath and utility (£27/m <sup>2</sup> supply) (350m <sup>2</sup> ).  | 15,500 |         |
| -           | Tiles to bathrooms, bin store and utility on and including ditra matting (£30/m <sup>2</sup> supply) (46m <sup>2</sup> ).                     | 4,000  |         |
| -           | Ditto ground lift/stair lobby ground and basement (30m <sup>2</sup> ).                                                                        | 2,800  |         |
| -           | Carpet to common area landings (£20/m <sup>2</sup> supply including underlay) (45m <sup>2</sup> ).                                            | 1,400  |         |
| -           | Carpet to staircases from ground to fourth floor.                                                                                             | 3,000  |         |
| -           | Matwell and matting to entrance (1nr).                                                                                                        | 700    |         |
|             |                                                                                                                                               |        | 27,400  |
| 4.13        | WALL FINISHES                                                                                                                                 |        |         |
| -           | Bond and skim walls to staircase and party walls (690m <sup>2</sup> ).                                                                        | 10,000 |         |
| -           | Thermal board and skim external walls to front and rear (144m <sup>2</sup> ).                                                                 | 6,900  |         |
| -           | Extra over cost for plaster repairs over and above bond and skim (say 100m <sup>2</sup> ).                                                    | 5,000  |         |
| -           | Extra for upgrading fourth floor wall between stair and apartment for fire and sound (20m <sup>2</sup> ).                                     | 1,000  |         |
| -           | For wall plaster and plasterboard see internal partitions.                                                                                    | -      |         |
| -           | Upgrade partition between office and ground common area (21m <sup>2</sup> ).                                                                  | 1,200  |         |
| -           | Kitchen splashbacks (£30m <sup>2</sup> supply) (54m x 450 high) (See 4.11)                                                                    | -      |         |
| -           | Tiling to bathrooms (£30/m <sup>2</sup> supply) (includes plastic edge trims at corner) (20m <sup>2</sup> per bathroom) (160m <sup>2</sup> ). | 14,000 |         |
|             |                                                                                                                                               |        |         |
|             | C/F £                                                                                                                                         | 38,100 | 458,400 |

|             |                                                                                                                                                |            |         |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                                                       |            |         |
|             | B/F £                                                                                                                                          | 38,100     | 458,400 |
| 4.13        | WALL FINISHES (CONT)                                                                                                                           |            |         |
| -           | Upgrade walls around lift for sound and fire (40m²).                                                                                           | 1,900      |         |
|             |                                                                                                                                                |            | 40,000  |
| 4.14        | CEILING FINISHES                                                                                                                               |            |         |
| -           | 12.5 thick moisture resistant board and skim coat to ceiling to roof including mansard sides (160m²).                                          | 4,000      |         |
| -           | Extra to rooflight sides (10nr).                                                                                                               | 800        |         |
| -           | Plasterboard and skim common areas and staircases.                                                                                             | 2,600      |         |
| -           | Suspended ceiling, two layers plasterboard and skim between apartments (303m²).                                                                | 16,000     |         |
| -           | Ditto ground floors (109m²).                                                                                                                   | 5,800      |         |
|             |                                                                                                                                                |            | 29,200  |
| 4.15        | DECORATIONS                                                                                                                                    |            |         |
| -           | Internal decorations (emulsion walls and ceilings, gloss to woodwork).                                                                         |            |         |
| -           | Decorations to common areas incl staircases.                                                                                                   |            |         |
| -           | External decorations to timberwork, fascias, render, features etc.                                                                             |            |         |
|             |                                                                                                                                                |            | 40,000  |
| 4.16        | SANITARY INSTALLATION                                                                                                                          |            |         |
| -           | White sanitaryware, with chrome plated taps, showers, bath panel, heated towel rails, glass shower screens and cubicles supply (8nr bathrooms) | 20,000     |         |
| -           | Fit sanitaryware.                                                                                                                              | 16,000     |         |
| -           | Provide bathroom fixtures (toilet roll holders, hooks, toilet brush holders etc) (£50/bathroom) (8nr).                                         | 400        |         |
| -           | Fit the above.                                                                                                                                 | 400        |         |
| -           | Provide waste and stack installation to suit layout.                                                                                           | Incl above |         |
|             |                                                                                                                                                |            | 36,800  |
| 4.17        | PLUMBING INSTALLATION                                                                                                                          |            |         |
| -           | ASHP including enclosure and all controls to each apartment.                                                                                   | 68,000     |         |
| -           | Pressured hot water tank to each apartment (7nr).                                                                                              | 14,000     |         |
| -           | Hot and cold water including cold water supply.                                                                                                | 17,500     |         |
| -           | Water supply to towel rails to bathroom (8nr).                                                                                                 | 1,600      |         |
|             |                                                                                                                                                |            |         |
|             | C/F £                                                                                                                                          | 101,100    | 604,400 |

|             |                                                                                                                |         |         |
|-------------|----------------------------------------------------------------------------------------------------------------|---------|---------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                       |         |         |
|             | B/F £                                                                                                          | 101,100 | 604,400 |
| 4.17        | PLUMBING INSTALLATION (CONT)                                                                                   |         |         |
| -           | Cold water riser including stopcock.                                                                           | 8,000   |         |
| -           | Underfloor heating overlay board system complete with all controls and manifolds (396m <sup>2</sup> ).         | 18,000  |         |
| -           | Heating to common areas, electric storage heaters (5nr).                                                       | 2,500   |         |
| -           | MVHR to all rooms to each apartment including all ductwork and controls, enclosures.                           | 90,000  |         |
| -           | Allow for testing and commissioning, design, O & M manuals.                                                    | 4,000   |         |
| -           | Allow for all builders work.                                                                                   | 4,000   |         |
|             |                                                                                                                |         | 227,600 |
| 4.18        | ELECTRICAL INSTALLATION                                                                                        |         |         |
| -           | Fuse board and sub main to suit (8nr).                                                                         | 9,000   |         |
| -           | Power for heating, cylinder, ASHP, MVHR (8nr).                                                                 | 5,800   |         |
| -           | Extract fans and all ductwork to bathrooms, kitchens (not required as MVHR).                                   | -       |         |
| -           | TV/satellite to living rooms run to shared dishes and aerials (7nr).                                           | 1,400   |         |
| -           | Satellite dishes and TV aerials to suit 7nr apartments.                                                        | 1,500   |         |
| -           | Telephone points to living room run back to service riser (7nr).                                               | 1,400   |         |
| -           | LED low energy downlighters to all rooms including all white standard switch plates (supply £10 each) (210nr). | 13,700  |         |
| -           | Pendant fittings and all switching to utility, bike and bin store (21nr).                                      | 1,300   |         |
| -           | Power installation generally (4nr living rooms, 3nr bedrooms, 1nr hall, 3nr office) (60nr).                    | 3,600   |         |
| -           | Power to kitchen including to white goods, cooker etc, all standard white where not exposed (7nr).             | 3,600   |         |
| -           | Power to utility (7nr).                                                                                        | 1,400   |         |
| -           | Shaver points to bathrooms (8nr).                                                                              | 1,200   |         |
| -           | Lighting to under kitchen units (7nr).                                                                         | 2,100   |         |
| -           | Mirror light to bathrooms (8nr).                                                                               | 1,200   |         |
| -           | Smoke/heat detectors within flats (14nr) (mains wired).                                                        | 1,000   |         |
| -           | Carbon monoxide detector within flats (7nr) (mains wired).                                                     | 500     |         |
| -           | Video door entry system to serve all apartments.                                                               | 3,000   |         |
| -           | Power and lighting to common areas including external light over front door and power to lift.                 | 3,500   |         |
| -           | Power for future burglar alarm to each apartment (7nr).                                                        | 600     |         |
|             | C/F £                                                                                                          | 55,800  | 832,000 |

|             |                                                                                                          |        |                   |
|-------------|----------------------------------------------------------------------------------------------------------|--------|-------------------|
| <b>4.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS - APARTMENTS (CONT)</b>                                                 |        |                   |
|             | B/F £                                                                                                    | 55,800 | 832,000           |
| 4.18        | ELECTRICAL INSTALLATION (CONT)                                                                           |        |                   |
| -           | Fire alarm to common areas.                                                                              | 4,000  |                   |
| -           | Earthing.                                                                                                | 3,200  |                   |
| -           | Testing/commissioning/O & M manuals.                                                                     | 4,000  |                   |
| -           | Builders work in connection.                                                                             | 5,000  |                   |
| -           | Switches and sockets standard MK plastic or similar – incl above.                                        | -      |                   |
|             |                                                                                                          |        | 72,000            |
| 4.19        | INCOMING SERVICES (see section 5.00)                                                                     |        | -                 |
| 4.20        | ACOUSTIC TESTING                                                                                         |        |                   |
| -           | Test each apartment for acoustic and provide certificates.                                               |        | 6,300             |
| 4.21        | UNDERGROUND DRAINAGE                                                                                     |        |                   |
| -           | Provide underground drainage to suit flats including drain runs, manholes etc (minimal as use existing). | 1,500  |                   |
| -           | Provide underground drainage to suit rainwater and surface water drainage (re-use existing).             | -      |                   |
|             |                                                                                                          |        | 1,500             |
| 4.22        | EXTERNAL WORKS (see section 5.00)                                                                        |        | -                 |
|             |                                                                                                          |        | £911,800          |
|             | MAIN CONTRACTORS PRELIMINARIES                                                                           |        | 114,000           |
|             | SCAFFOLDING TO PERIMETER AND TEMPORARY ROOF<br>(includes bridge over bus stop/stand and all permits)     |        | 36,000            |
|             |                                                                                                          |        | £1,061,800        |
|             | MAIN CONTRACTORS PROFIT AND OVERHEAD 7.5%                                                                |        | 79,600            |
|             | <b>TOTAL APPROXIMATE COSTS</b>                                                                           |        | <b>£1,141,400</b> |
|             | <u>Cost/m<sup>2</sup></u>                                                                                |        |                   |
|             | Gross internal residential floor area = 395m <sup>2</sup>                                                |        |                   |
|             | Therefore cost/m <sup>2</sup> = £1,141,400 ÷ 395m <sup>2</sup> = £2,889/m <sup>2</sup>                   |        |                   |
|             | Gross internal floor area including common areas = 549m <sup>2</sup>                                     |        |                   |
|             | Therefore cost/m <sup>2</sup> = £1,141,400 ÷ 549m <sup>2</sup> = £2,079/m <sup>2</sup>                   |        |                   |

|             |                                                                                                                                  |        |         |
|-------------|----------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| <b>5.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS – COMMERCIAL UNIT</b>                                                                           |        |         |
| 5.01        | WATERPROOFING BASEMENT                                                                                                           |        |         |
| -           | Demolish studwork to office, kitchen, WCs etc.                                                                                   | 4,000  |         |
| -           | Grub up slab and sub base under (134m <sup>2</sup> ).                                                                            | 9,000  |         |
| -           | New slab complete with reinforcement mesh, hardcore, blinding (134m <sup>2</sup> ).                                              | 20,100 |         |
| -           | Newton/Delta cavity membrane drain system to walls and slab draining into manhole (ie, no need for pump and chambers).           | 15,000 |         |
| -           | Screed and insulation to cavity drain membrane (134m <sup>2</sup> ).                                                             | 6,700  |         |
| -           | Wall linings to wall membrane comprising vapour/breather membrane, stud, insulation, plasterboard and skim (150m <sup>2</sup> ). | 15,000 |         |
| -           | Reinstate partitions to basement including all plastering.                                                                       | 4,500  |         |
|             |                                                                                                                                  |        | 74,300  |
| 5.02        | EXTERNAL WALLS                                                                                                                   |        |         |
| -           | Clean ground front elevation (incl in apartments).                                                                               | -      |         |
| -           | Repointing stone repairs front and back – say.                                                                                   | 3,000  |         |
| -           | Extra brick repairs.                                                                                                             | 300    |         |
|             |                                                                                                                                  |        | 3,300   |
| 5.03        | ROOFS (no works).                                                                                                                |        | -       |
| 5.04        | UPPER FLOORS                                                                                                                     |        | -       |
| -           | Renew floor boarding to ground floor rooms (97m <sup>2</sup> ).                                                                  | 3,000  |         |
| -           | Extra for levelling.                                                                                                             | 2,400  |         |
|             |                                                                                                                                  |        | 5,400   |
| 5.05        | STAIRCASES/LIFT                                                                                                                  |        | -       |
| 5.06        | WINDOWS, DOORS AND SCREENS                                                                                                       |        |         |
| -           | Renew shop front and entrance door/screen.                                                                                       | 7,000  |         |
| -           | Renew windows and doors rear basement and ground.                                                                                | 9,000  |         |
|             |                                                                                                                                  |        | 16,000  |
| 5.07        | INTERNAL PARTITIONS                                                                                                              |        |         |
| -           | Bond and skim existing party walls and partitions ground floor (200m <sup>2</sup> ).                                             |        | 3,000   |
|             |                                                                                                                                  |        |         |
|             |                                                                                                                                  | C/F £  | 102,000 |

|             |                                                                              |       |         |
|-------------|------------------------------------------------------------------------------|-------|---------|
| <b>5.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS – COMMERCIAL UNIT (CONT)</b>                |       |         |
|             |                                                                              | B/F £ | 102,000 |
| 5.08        | INTERNAL DOORS                                                               |       |         |
| -           | Entrance doors and frame, architrave incl all ironmongery (2nr).             | 2,000 |         |
| -           | Internal doors to rooms including lining, architrave and ironmongery (15nr). | 9,000 |         |
| -           | Ditto pair of doors to riser (1nr).                                          | 800   |         |
|             |                                                                              |       | 11,800  |
| 5.09        | JOINERY                                                                      |       |         |
| -           | Boxing/vanity units to WCs.                                                  | 3,000 |         |
| -           | Fittings to kitchen including white goods.                                   | 4,500 |         |
| -           | Sundry boxing and the like.                                                  | 1,000 |         |
| -           | Skirtings simple profile.                                                    | 2,500 |         |
|             |                                                                              |       | 11,000  |
| 5.10        | FLOOR FINISHES                                                               |       |         |
| -           | Vinyl and coving to WCs and kitchen (22m <sup>2</sup> ).                     | 2,000 |         |
| -           | Carpet by tenant.                                                            | -     |         |
|             |                                                                              |       | 2,000   |
| 5.11        | WALL FINISHES                                                                |       |         |
| -           | Thermal board and skim front and rear walls to ground.                       | 1,400 |         |
| -           | Tiled splashbacks vanity, sinks etc.                                         | 700   |         |
|             |                                                                              |       | 2,100   |
| 5.12        | CEILING FINISHES                                                             |       |         |
| -           | 12.5 thick plasterboard and skim basement ceiling (134m <sup>2</sup> ).      | 2,900 |         |
| -           | Bond and skim underside staircase.                                           | 400   |         |
| -           | For ground floor ceiling see apartments.                                     | -     |         |
|             |                                                                              |       | 3,300   |
| 5.13        | DECORATIONS                                                                  |       |         |
| -           | Internal and external decorations basement and ground.                       |       | 10,000  |
|             |                                                                              | C/F £ | 142,200 |

|             |                                                                    |       |         |
|-------------|--------------------------------------------------------------------|-------|---------|
| <b>5.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS – COMMERCIAL UNIT (CONT)</b>      |       |         |
|             |                                                                    | B/F £ | 142,200 |
| 5.14        | SANITARY INSTALLATION                                              |       |         |
| -           | Supply sanitaryware to ground and basement.                        | 4,500 |         |
| -           | Connect sanitaryware and provide waste pipes etc incl to kitchen.  | 3,000 |         |
| -           | Hand driers.                                                       | 1,500 |         |
|             |                                                                    |       | 9,000   |
| 5.15        | PLUMBING INSTALLATION                                              |       |         |
| -           | Gas adaption to suit boiler.                                       | 700   |         |
| -           | Combination boiler including all controls, flues.                  | 3,000 |         |
| -           | Hot and cold water to WCs and kitchen.                             | 4,500 |         |
| -           | Heating installation (metal pressed rads) and all pipework (16nr). | 4,800 |         |
| -           | Testing/commissioning/design.                                      | 700   |         |
| -           | Builders work.                                                     | 700   |         |
|             |                                                                    |       | 14,400  |
| 5.16        | ELECTRICAL INSTALLATION                                            |       | -       |
| -           | Consumer control/fuse board.                                       | 1,000 |         |
| -           | Extract fans bathroom/kitchen (4nr).                               | 1,200 |         |
| -           | Power for future security alarm.                                   | 100   |         |
| -           | Fire alarm system.                                                 | 3,500 |         |
| -           | External lighting front and rear.                                  | 1,200 |         |
| -           | Telephone/internet for future extension by tenant.                 | 600   |         |
| -           | Power installation – say.                                          | 2,000 |         |
| -           | Lighting installation – say.                                       | 7,000 |         |
| -           | Earthing.                                                          | 600   |         |
| -           | Testing/commissioning/O&M manuals.                                 | 600   |         |
| -           | Builders work in connection.                                       | 500   |         |
|             |                                                                    |       | 18,300  |
| 5.17        | EXTERNAL WORKS                                                     |       | -       |
| -           | Works to external steps to rear and paving – say.                  | 3,000 |         |
| -           | Bike store to rear – say.                                          | 1,000 |         |
|             |                                                                    |       | 4,000   |
|             |                                                                    | C/F £ | 187,900 |

|             |                                                                                                                    |   |                   |
|-------------|--------------------------------------------------------------------------------------------------------------------|---|-------------------|
| <b>5.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS – COMMERCIAL UNIT (CONT)</b>                                                      |   |                   |
|             | B/F £                                                                                                              |   | 187,900           |
| 5.18        | UNDERGROUND DRAINAGE                                                                                               |   |                   |
| -           | See apartments.                                                                                                    |   | -                 |
|             | MAIN CONTRACTORS PRELIMINARIES                                                                                     |   | £187,900          |
|             |                                                                                                                    |   | 23,500            |
|             |                                                                                                                    |   | £211,400          |
|             | MAIN CONTRACTORS PROFIT AND OVERHEAD 7.5%                                                                          |   | 15,900            |
|             | <b>TOTAL APPROXIMATE COSTS</b>                                                                                     |   | <b>£227,300</b>   |
| <b>6.00</b> | <b>APPROXIMATE ESTIMATE OF COSTS – INCOMING SERVICES, NHBCM, EXTERNAL WORKS ETC</b>                                |   |                   |
| 6.01        | INCOMING SERVICES                                                                                                  |   |                   |
| -           | Incoming water, electric mains including all builders work to each apartment (includes work in contaminated land). | } | 50,000            |
| -           | Duct and trench for incoming telephone.                                                                            |   |                   |
| 6.02        | NHBC/WARRANTY                                                                                                      |   |                   |
| -           | NHBC or similar warranties/guarantee.                                                                              |   | 30,000            |
| 6.03        | EXTERNAL WORKS                                                                                                     |   |                   |
| -           | Bike stands to common area basement.                                                                               |   | 600               |
|             |                                                                                                                    |   | £80,600           |
|             | MAIN CONTRACTORS PRELIMINARIES                                                                                     |   | 10,100            |
|             |                                                                                                                    |   | £90,700           |
|             | MAIN CONTRACTORS PROFIT AND OVERHEAD 7.5%                                                                          |   | 6,800             |
|             | <b>TOTAL APPROXIMATE COSTS – INCOMING SERVICES, NHBC, EXTERNAL WORKS ETC</b>                                       |   | <b>£97,500</b>    |
| <b>7.00</b> | <b>OVERALL COSTS</b>                                                                                               |   |                   |
| -           | APARTMENTS (4.00)                                                                                                  |   | 1,141,400         |
| -           | COMMERCIAL UNIT (5.00)                                                                                             |   | 227,300           |
| -           | EXTERNAL WORKS, INCOMING SERVICES, NHBC (6.00)                                                                     |   | 97,500            |
|             | <b>TOTAL OVERALL COSTS</b>                                                                                         |   | <b>£1,466,200</b> |

|      |                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 8.00 | <b>EXCLUSIONS</b> <ul style="list-style-type: none"> <li>- VAT @ 5%.</li> <li>- District surveyors/planning fees.</li> <li>- Professional fees.</li> <li>- Satellite TV second fix to apartments.</li> <li>- Air conditioning, MVHR, ASHP to retail units.</li> <li>- Carpet retail units.</li> <li>- Security alarm to retail units and apartments.</li> </ul> |  |  |
|      |                                                                                                                                                                                                                                                                                                                                                                 |  |  |

# Schedule 5

# 13-15 Station Road, Reading RG1 1LG

## Financial Viability Assessment

27<sup>th</sup> June 2023

Prepared for:  
**Reading Borough Council**

Prepared by:  
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## Executive Summary

Colliers have been instructed by Reading Borough Council (RBC) to review the Financial Viability Appraisal (FVA) produced by S106 Management on behalf of the Applicant for the proposed development at 13-15 Station Road, Reading. S106 Management conclude that the proposed scheme produces a residual land value of £534,000 which is approximately £316,000 below their benchmark land value of £850,000. On this basis the proposed scheme cannot viably make an affordable housing contribution.

The existing property comprises 6 floors of office accommodation. The proposals, as per the planning documents, are to convert the 1<sup>st</sup> – 4<sup>th</sup> floors into 7 residential units with the Ground and Lower Ground floors retained as commercial. Full detail of our analysis is outlined in this report.

We have reviewed the FVA and inputs as outlined by S106 Management. We have reviewed the private residential values adopted by S106 Management and consider these to be slightly lower than our expectations. We have reviewed the construction costs and other associated costs and find the inputs to be broadly appropriate other than assumptions on external works, biodiversity, energy requirements and agents fees.

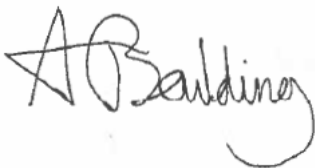
To support the benchmark land value (BLV) S106 Management have taken the Existing Use Value (EUV) approach. They have adopted a rental value based on the rateable value and have capitalised this at a yield of 10%, giving an EUV of £850,000 which they adopt as the BLV. We have taken the Alternative Use Value (AUV) approach on the basis that the existing office space requires refurbishment. We have adopted the same assumptions made in our valuation of the proposed office space and arrive at a BLV of £525,000. We have reduced the profit target assumptions made by S106 Management.

We have modelled the viability of the scheme using Argus Developer software. The appraisal summary is attached in Appendix 3 of this report. We conclude that the scheme produces a surplus of £149,000 and therefore can afford to make a financial contribution towards affordable housing.

## Financial Viability Appraisal – Mandatory Requirements

We confirm that this report complies with the requirements of RICS Professional Statement – RICS Financial Viability in Planning: Conduct and Reporting (2019; 1st ed.) We highlight the following in relation to our report:

- That we have acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information.
- We confirm that in preparing a report, no performance related or contingent fees have been agreed.
- We can confirm that we have no conflicts of interest.
- We have prepared this report with the skill, care and diligence that can be reasonably expected of a competent and experienced financial viability consultant, but my responsibility is to my instructing client and my client only.
- We have not previously provided advice in relation to this planning application.
- We have justified our adopted inputs in our report and have explained how supporting evidence has been analysed within our assessment.
- Our assessment includes a sensitivity analysis which has been provided with an accompanying explanation and interpretation of the results.
- The contents of this report and any appendices attached to it are for the sole use of the applicant and the LPA. Unless explicitly agreed in writing by both Colliers International and our instructing client the contents of this report and its appendices shall remain private and confidential and shall not be used for any purposes other than the subject financial viability assessment, nor be published, referred to or quoted in any way.
- This report has been signed and dated, and we have allowed adequate time to produce this report and have advised my client on the timeframes.

A handwritten signature in black ink, appearing to read "A Boulding".

**Arthur Boulding MRICS**

RICS number: 6878828

Senior Surveyor, Development Advisory

Colliers International Property Consultants

# 1. Introduction

## 1.1. Instruction

1.1.1. Colliers International Property Consultants Limited (Colliers / We) were instructed by Reading Borough Council ('The Council') on 12<sup>th</sup> June 2023 to assess the viability of the proposed development at 13-15 Station Road, Reading, RG1 1LG.

1.1.2. The applicant, Faye and Yara Limited, have submitted a financial viability appraisal (FVA) which has been produced by S106 Management, dated 25<sup>th</sup> May 2023, who conclude that the proposed scheme produces a residual land value of £534,000 which is approximately £316,000 below their benchmark land value of £850,000. On this basis the proposed scheme cannot viably make an affordable housing contribution.

## 1.2. Corporate Disclaimer

1.2.1. All information, analysis and recommendations made for clients by Colliers International are made in good faith and represent Colliers International's professional judgement on the basis of information obtained from the client and elsewhere during the course of the assignment. However, since the achievement of recommendations, forecasts and valuations depends on factors outside Colliers International's control, no statement made by Colliers International may be deemed in any circumstances to be a representation, undertaking or warranty, and Colliers International cannot accept any liability should such statements prove to be inaccurate or based on incorrect premises. In particular, and without limiting the generality of the foregoing, any projections, financial and otherwise, in this report are intended only to illustrate particular points of argument and do not constitute forecasts of actual performance.

1.2.2. Colliers is the licensed trading name of Colliers International Property Consultants Limited which is a limited company registered in England and Wales with registered number 7996509. Our registered office is at 95 Wigmore Street, London, W1U 1FF.

1.2.3. This report is not a valuation as defined by the RICS. It offers advice and opinion on the viability of the proposed development through market research and development experience. Comments made as to the value of the land, the viability of development or the suitability of the proposed schemes are based on the assumptions set out in this report. We reserve the right to amend our report in light of new information or whenever we deem necessary.

1.2.4. This report has been issued on a private and confidential basis. This report must not be referred to or recited from in any document. It must not be copied or made available (in whole or in part) to any other person without express written consent.

## 3. Proposed Development

### 2.1. Site Location

2.1.1. The site is located in Reading Town Centre. It is approximately 100m south of Reading Station and is just North of the primary shopping area of Friar Street and Queen Victoria Street.

### 2.2. Site Description

2.2.1. The property is a five storey mid terrace building which is currently Use Class E Office. The Planning and Heritage Statement submitted with the application lists the property as having been built in 1903 and is of brick construction. To the rear there is a small courtyard enclosed by a brick wall and secure gate which is accessed from Gerrard Street.

### 2.3. Proposed Development

2.3.1. The proposed development, submitted under planning application reference 230202, is for:

*Change of use from office (Class E) to 7 residential units (Class C3) at part-basement floor, part-ground floor and first to fourth floor levels, cycle storage facilities at rear ground floor level and replacement rooftop mechanical plant.*

2.3.2. The proposed development is within the same footprint as the existing space and does not include any extensions. The existing basement and ground floor will be retained as office space while floors 1-4 will be converted to provide 7 residential units.

2.3.3. The property will retain the existing lift and provide bicycle storage at one space per unit which is provided in the basement. The bike storage for the commercial unit is located to the rear. The residential and office units are both accessed from Station Road to the east via separate entrances.

2.3.4. The planning documents indicate the Gross Internal Area (GIA) of the building is 748 sq m. We understand the proposed net internal area (NIA) breakdown for the proposed scheme is as follows:

| Use          | NIA        | GIA        | G / N      |
|--------------|------------|------------|------------|
| Residential  | 395        | 516        | 77%        |
| Commercial   | 117        | 232        | 50%        |
| <b>Total</b> | <b>512</b> | <b>748</b> | <b>68%</b> |

2.3.5. We have not verified these measurements and have adopted them for the purposes of this assessment. We note the gross / net efficiency of the commercial space is lower than we would consider normally acceptable, but consider this accounts for space lost for circulation, bicycle storage and core facilities including toilets and kitchens.

## 3. Planning

### 3.1. Planning History

- 3.1.1. The Planning documents indicate that the site is Use Class E office space.
- 3.1.2. There are no relevant or recent planning applications on the subject site.

### 3.2. Conservation

- 3.2.1. The property is Grade II Listed. The Listing entry describes the Baroque Art Nouveau and Flemish styles.
- 3.2.2. The property is not located in a Conservation Area.

### 3.3. Planning Policy

- 3.3.1. The Council's 2019 Local Plan policy H3 requires a financial contribution equivalent to 20% of the housing to be provided as affordable on sites providing between 5-9 dwellings. The Council's Affordable Housing SPD requires that a financial contribution in lieu of on site affordable housing should be equivalent to 50% of the open market value of the residential units.
- 3.3.2. For the subject scheme the financial contribution in lieu of affordable housing would equate to 10% of the total residential GDV.

## 4. Market Commentary

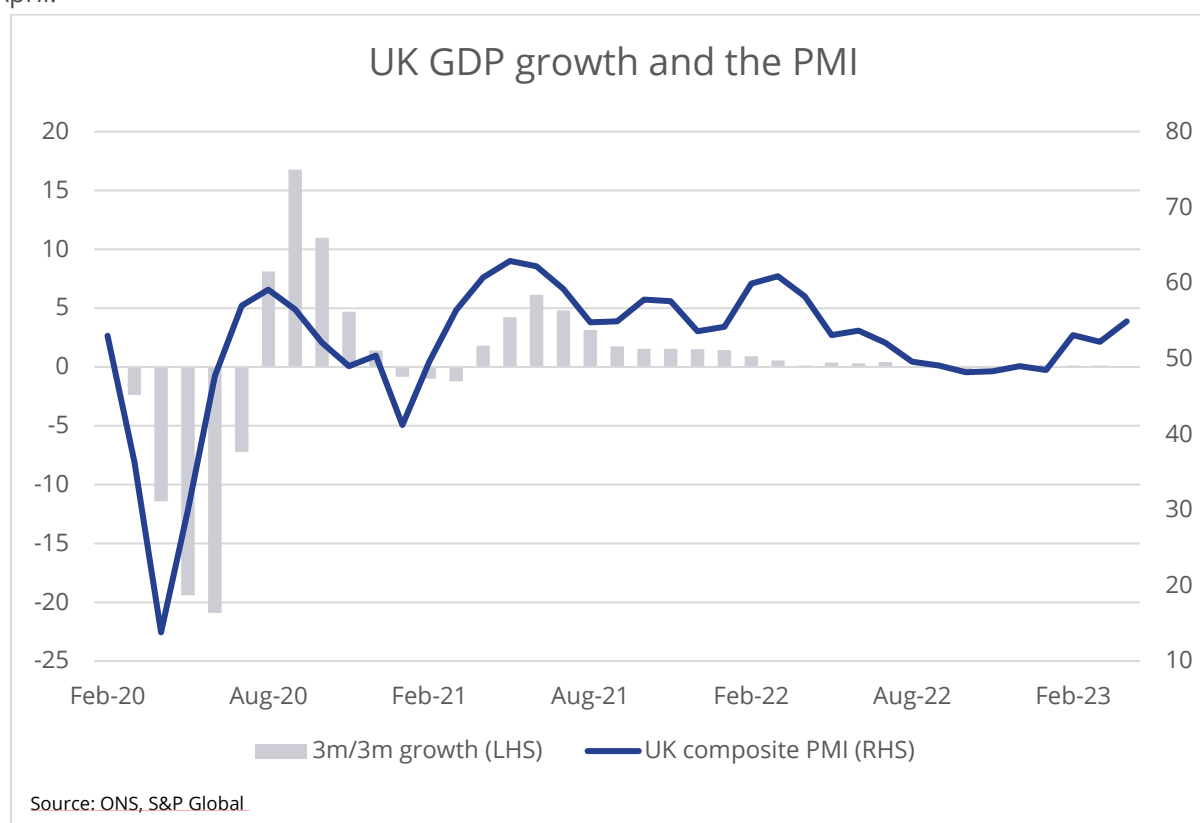
### 4.1. Economy

4.1.1. UK GDP grew by 0.1% q/q in Q1 2023, following a 0.1% q/q rise in Q4 2022. However, GDP fell by 0.3% m/m in March. Output in the consumer-facing sector fell by 0.8% m/m. Production and construction output both increased in March. April's UK Composite PMI posted 54.9, up from March's 52.2, and the highest reading in a year.

4.1.2. At 8.7%, CPI inflation remains slightly above expectations, but is expected to come down significantly in the coming months. Retail sales volumes rose by 0.9% m/m in April following a 1.2% m/m fall in March. Sales are still 3.0% lower than a year ago.

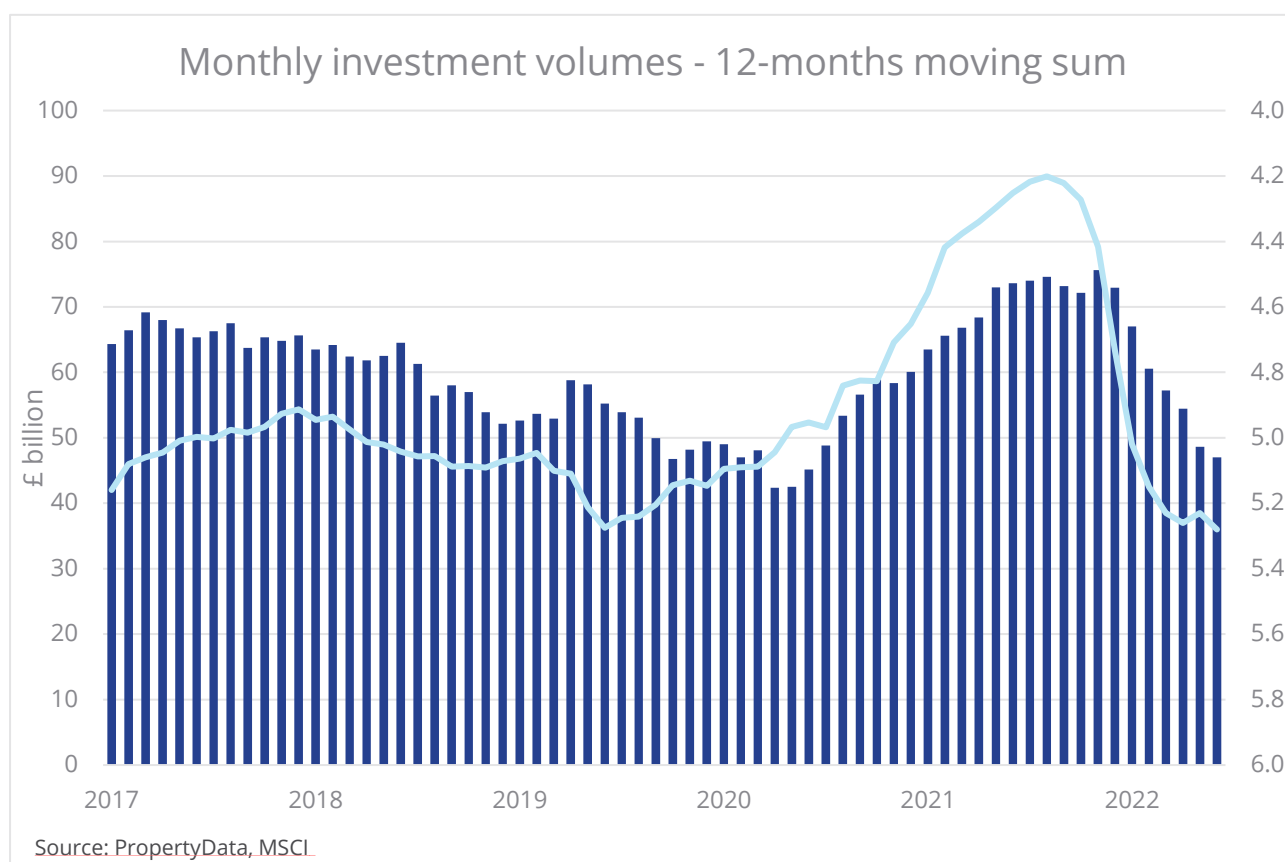
4.1.3. Unemployment rose to a 14-month high of 3.9% in the three months to March but remains low by historical standards. The number of job vacancies fell from a recent high of 1.306 million in April 2022 to 1.083 million in March 2023.

4.1.4. HM Treasury forecasts show interest rates ending 2023 at 4.75% before falling to 3.75% in 2024. At the time of report writing, the GBP/USD exchange rate stands at 1.24, down from 1.31 a year ago. Gilt yields fell to around 3% at the start of February but rose to 4.38% at the end of April. The two-year 75% LTV mortgage rate continues to fall and stands at 4.63% at the end of April.



4.1.5. Monthly investment volumes slowed from £4.6bn in March to £1.7bn in April, marking the weakest monthly figure since April 2020. The April figure was 68% below the five-year

monthly average of £5.2bn. In the year to date, investment volumes stand at £12bn. This is 57% below the corresponding 2022 figure. Industrial accounted for 42% of all activity by value, followed by residential at 27% and offices at 14%. The largest April deal was Blackstone's £480m acquisition of Trafford Park and Heywood Distribution Park in the North West. The second largest transaction was a £151m forward funding agreement to develop 628 apartments at Birmingham's Lower Essex Square. April MSCI data shows a mild outward shift in net initial yield shifts at the property level. Industrial and retail yields were stable but offices continued to rise.

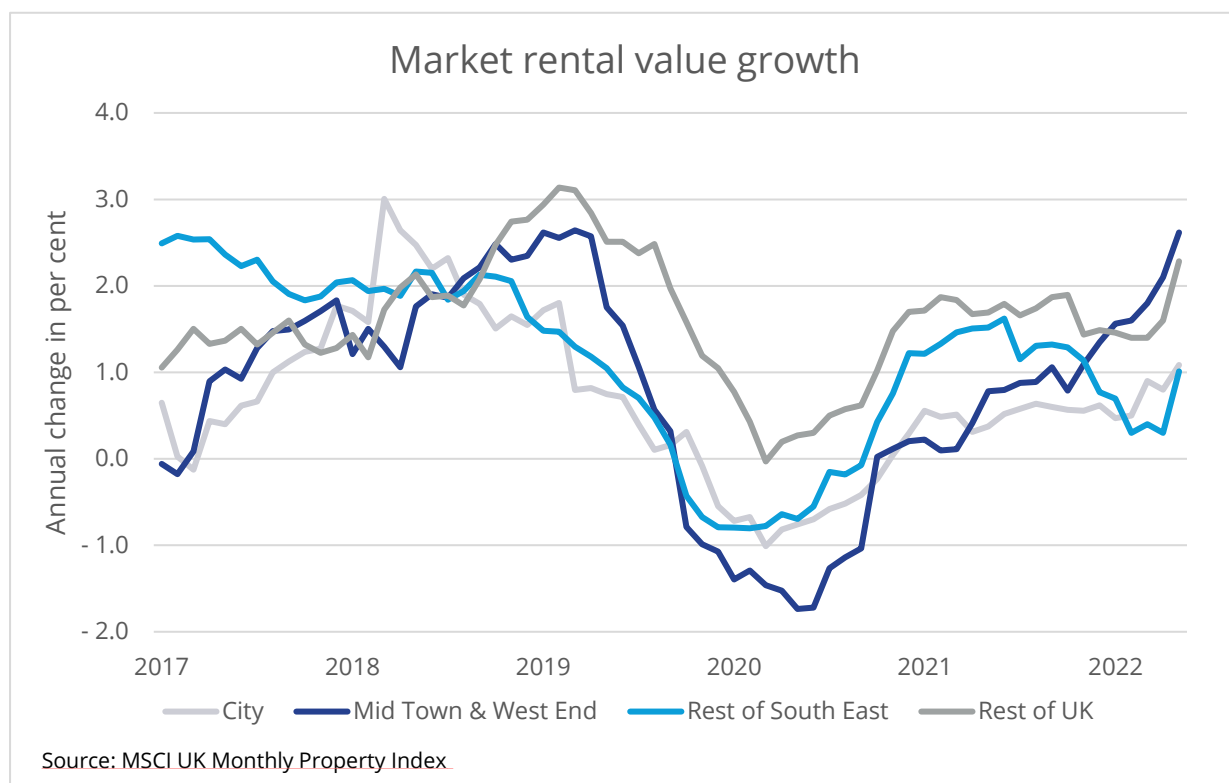


## 4.2. Office

4.2.1. Office investment slowed from £910m in March to 240m in April. The figure was still 83% below the five-year monthly average of £1.4bn. 11 assets transacted in April, down from 13 in March and low by historical standards. During the first four months of 2023, investment volumes stand at £3.1bn, down by 65% on the same period in 2022. The MSCI Digest index suggests that "All Office" initial yields rose by 11bps in April, taking the outward shift that started in August to 71bps.

4.2.2. While transaction levels have plateaued (except for Leeds) active demand shows a strong appetite from major corporates in the financial sector for quality space in the UK regions. Grade A vacancy remains below trend in all regional markets. We anticipate additional upward pressure on prime rents, which are already at record levels in Birmingham, Bristol, Leeds and

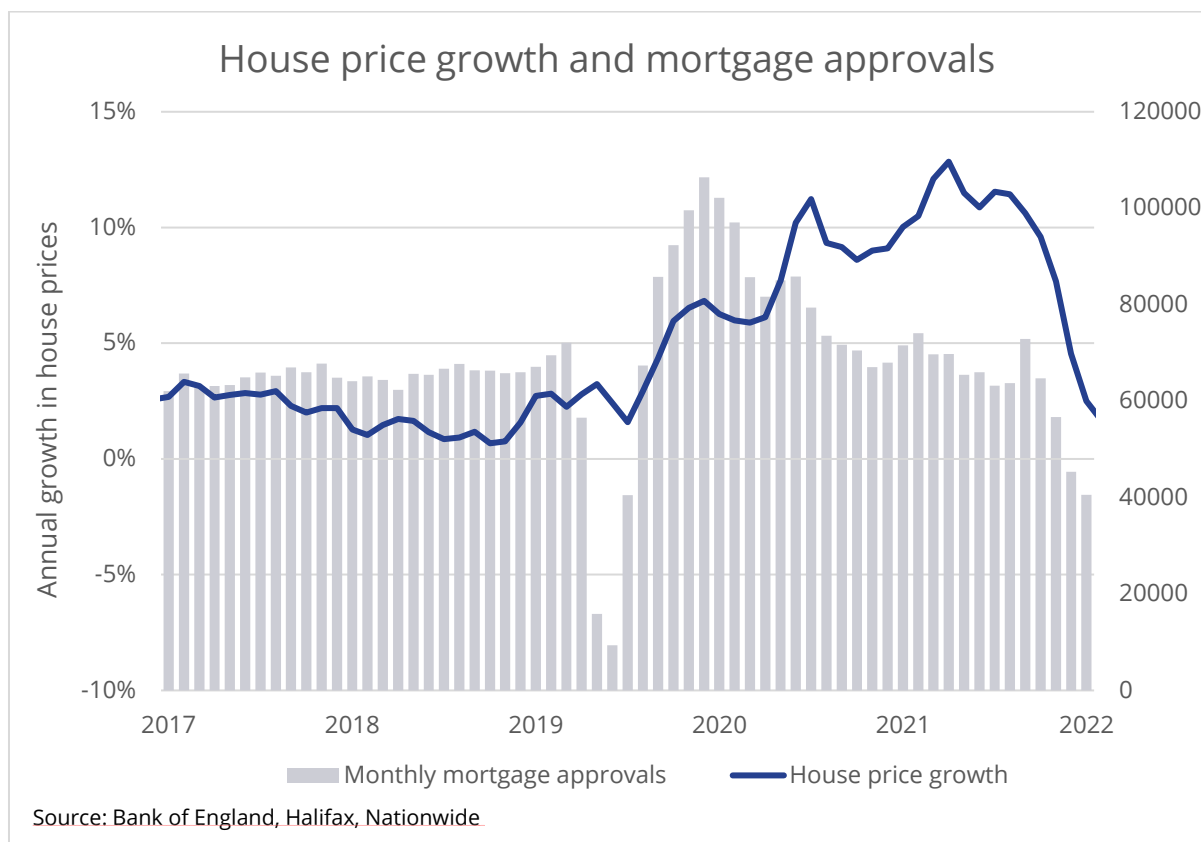
Manchester. “All Office” rental growth was sustained for the twentieth month running in April. The rate of growth rose to a three-year high of 1.6% y/y. At 3.9% y/y, the South West recorded the strongest rate of rental growth in April.



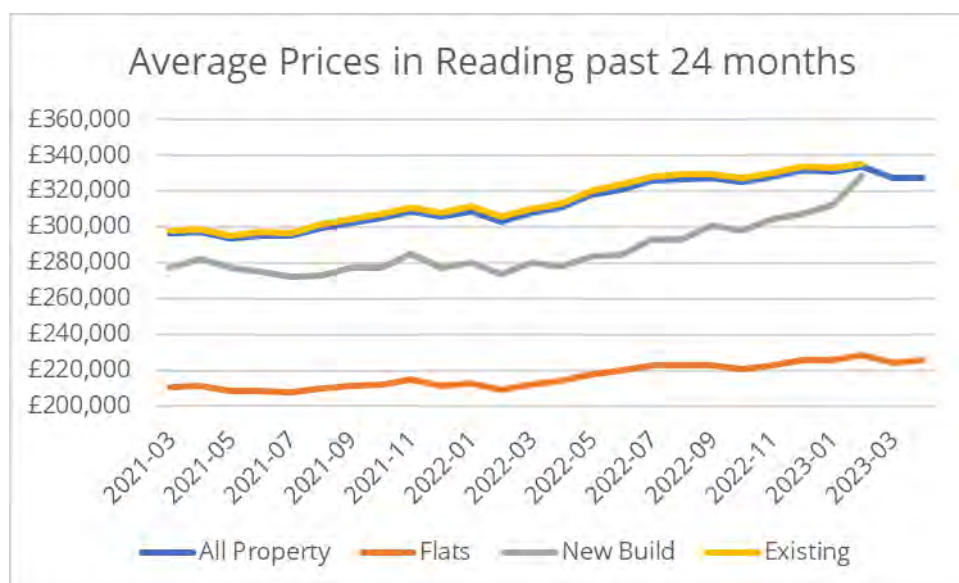
### 4.3. Residential

4.3.1. Residential investment volumes slowed from £610m in March to £410m in April which is around 18% below the five-year monthly average of £500m. Three of the four largest BTR deals in April were funded by joint ventures and include developments in Birmingham, Leeds, and London. The largest transaction was the £151m forward funding agreement to develop 628 apartments at Birmingham’s Lower Essex Square. £70m was transacted in the PBSA sector in April, bringing the year-to-date figure to £110m after annual investment volumes reached a record high of £6.2bn in 2022.

4.3.2. Halifax reported a 0.1% y/y rise (10-year low) in house prices during April, while the Nationwide measure posted -2.7% y/y, from -3.0% y/y in March. The 90,000 property transactions recorded in March was a marginal improvement from 88,000 in February. The number of monthly mortgage approvals rose to a five-month high of 52,011 in April but remained well below the five-year monthly average of 67,500. The 75% 2-year fixed BoE mortgage rate fell further from October’s peak of 6.0% to 4.63% in April.



The graph below shows the average prices by unit type in Reading from the past 24 months worth of data:



It can be seen that most property prices have experienced modest growth over the past 24 months. There has been a slight increase approximately the last 6 months. Part of this recent spike

could be attributed to the opening of the Elizabeth Line which was fully operational by November 2022 from Reading.

It should be noted that there were a limited number of new build transactions in Reading with only 69 recorded over the past 24 months. There is currently a relatively limited stock of new build residential accommodation available in the Town Centre. The most significant development is Station Hill and there are several larger flatted developments in the pipeline.

## 5. Development Value

### 5.1. S106 Management Approach

5.1.1. S106 Management have used a range of data to inform their position on values.

5.1.2. S106 Management have first identified average prices for flats and maisonettes in Reading which shows growth over the past 24 months. They have identified the average asking price from Nimbus, a property research tool, which is £4,187 psm (£393 psf) for the subject ward which has declined 1% over the past 12 months. They have also considered the Local Plan Viability Study which suggests a value of £250,000 for flats in the RG1 postcode, noting that this data is 7 years old and therefore needs updating for current market conditions which they have not done.

5.1.3. S106 Management have then identified transactions for flats within ¼ mile of the subject site over the last 12 months. The average value psm is £4,450 (£413 psf) for the transactions. They highlight one key comparable at Il-libro Court, Flat 14, Kings Road, RG1 which is less than 500m from the subject site, has recently been refurbished and is similarly above a commercial premises. It sold for £252,500 in September 2022 (£4,139 psm / £385 psf).

5.1.4. They have also identified flats on the market within ¼ mile of the subject site which show an average value of £5,138 psm (£477 psf). They have also identified new build units on the market within a mile of the subject site which show an average asking price psm of £5,351 (£497 psf). The marketing data represents a range of one and two bedroom flats.

5.1.5. S106 Management note that the asking prices are inflated compared to the achieved values and Nimbus data which they suggest means asking prices are unlikely to be achieved. They have consulted local agents who suggest asking prices are often discounted by 5-10%. They mention that Halifax and Nationwide are reporting several subsequent months of falling house prices in Q4 2022. They reference Savills predicting a 10% contraction in house prices and JLL predicting a 6% fall UK wide.

5.1.6. S106 Management reference sales values that the Council have provided them with. These are shown in the table below:

| Unit         | Floor | Beds | Sq M       | Sq Ft        | S106M Price       | £ Sq M        |
|--------------|-------|------|------------|--------------|-------------------|---------------|
| 1            | 1     | 1    | 57.9       | 623          | £275,000          | £4,750        |
| 2            | 1     | 1    | 41.9       | 451          | £250,000          | £5,967        |
| 3            | 2     | 1    | 57.9       | 623          | £278,000          | £4,801        |
| 4            | 2     | 1    | 41.9       | 451          | £253,000          | £6,038        |
| 5            | 3     | 1    | 57.9       | 623          | £281,000          | £4,853        |
| 6            | 3     | 1    | 41.9       | 451          | £235,000          | £5,609        |
| 7            | 4     | 2    | 92.7       | 998          | £370,000          | £3,991        |
| <b>Total</b> |       |      | <b>392</b> | <b>4,221</b> | <b>£1,942,000</b> | <b>£4,953</b> |

5.1.7. This shows a total residential GDV of £1,942,000 which is equivalent to £4,953 psm (£460 psf). S106 Management have adopted these figures in their appraisal.

## 5.2. Colliers Approach

5.2.1. We have considered the evidence and analysis presented by S106 Management. Transactional evidence is the strongest comparable and we consider that new build evidence is the most appropriate basis on which to value the proposed units.

5.2.2. We have undertaken our own assessment of the local market in order to justify a position on residential sales values.

### **New Build Schemes**

5.2.3. In the last 12 months there have been a limited number of new build transactions for flatted units in Reading Town Centre. We have identified 122 transactions from the past 3 years using Nimbus. The average price per sq ft over the period for new build flats in the Town Centre was £5,070 with an average sales price of £321,000.

5.2.4. We have identified the following new build developments which are currently on the market:

#### **The Dukesbridge, 1-4 Duke Street, Reading, RG1 4SA**

5.2.5. Office conversion scheme approximately 350m south east of the subject site in Reading Town Centre. Development includes a lift, 5 storeys in height, does not include car parking.

5.2.6. Flat 7 is the last remaining unit on the market, 33 sq m on the 1<sup>st</sup> floor. Asking price of £220,000 (£6,667 psm).

5.2.7. From the past 12 months the only transaction is Flat 12, 1 Duke Street which sold for £252,000 on 17<sup>th</sup> November 2022. The EPC indicates the flat is 37 sq m, therefore the sale price reflects £6,811 psm (£633 psf).

5.2.8. We consider this scheme to be a good comparison to the subject, although the proximity to the station could make the subject property more desirable. We note the units are smaller than those in the proposed scheme which makes comparison on a rate psm difficult.

#### **41 a London Street, Reading, RG1 4PS**

5.2.9. 21 unit development approximately 500m south of the subject. Completion estimated Q4 2024. No unit sizes available.

5.2.10. Following units are currently on the market:

- 1 bed, £295,000
- 1 bed, £388,000

5.2.11. There is limited information available about the units but they provide an indication of new build prices in the area.

#### **Brunswick Hill House, 39 Brunswick Hill**

5.2.12. 9 unit development west of the town centre, approximately 1.3km south west of the subject scheme in a residential location backing on to train tracks. Conversion from Edwardian building with rear extension. Development includes parking, EV charging, residents communal garden.

5.2.13. We have identified units which are currently on the market:

- 1 bed, 1<sup>st</sup> floor, 51 sq m, £295,000 asking, £5,805 psm

- 1 bed, upper ground floor, 57 sq m, £320,000 asking, £5,609 psm
- 1 bed, lower ground floor, 57 sq m, own access, £320,000 asking, £5,609 psm

5.2.14. We consider Brunswick Hill House is more desirable than the subject given the amenities, location and design of the scheme. The subject development is more conveniently located for the town centre and the train station.

#### **Verto, 120 Kings Road, Reading, RG1 3DA**

5.2.15. Verto is a 14 storey tower with residents concierge, gym, parking and lift access. The development completed in 2019. It is approximately 700m south east of the subject on a busy road and adjacent to the River Kennet. We have identified the following transactions from the past 24 months, some of which are second hand transactions including Flat 101:

| Flat No   | Price    | Date       | Sq Ft | Sq M | £ Sq Ft | £ Sq M |
|-----------|----------|------------|-------|------|---------|--------|
| FLAT 101  | £264,500 | 31.01.2023 | 495   | 46   | £534    | £5,750 |
| FLAT 1003 | £320,000 | 17.10.2022 | 581   | 54   | £551    | £5,926 |
| FLAT 1301 | £525,000 | 29.04.2022 | 818   | 76   | £642    | £6,908 |
| FLAT 701  | £520,000 | 23.12.2021 | 829   | 77   | £627    | £6,753 |
| FLAT 109  | £413,250 | 15.03.2022 | 840   | 78   | £492    | £5,298 |
| FLAT 1501 | £727,000 | 23.12.2021 | 1,496 | 139  | £486    | £5,230 |
| FLAT 1402 | £720,000 | 09.08.2021 | 1,496 | 139  | £481    | £5,180 |
| FLAT 1602 | £720,000 | 10.12.2021 | 1,496 | 139  | £481    | £5,180 |
| FLAT 1502 | £720,000 | 17.09.2021 | 1,496 | 139  | £481    | £5,180 |
| FLAT 1601 | £715,000 | 23.12.2021 | 1,496 | 139  | £478    | £5,144 |

5.2.16. We consider Verto's new build design, specification, height and riverside location will warrant a premium over the units in the subject.

#### **Conclusion**

5.2.17. We have reviewed the evidence provided by S106 Management and the additional comparables we have identified above. We note there is limited directly comparable evidence to the subject. We consider the Dukesbridge scheme to be strongly comparable given the office conversion nature and Town Centre location.

5.2.18. We have adopted a revised pricing schedule which we have created in accordance with the comparable evidence and analysis above. We have considered the unit sizes and positions in our pricing. The schedule is shown in the table below:

| Unit         | Floor | Beds | Sq M       | Sq Ft        | S106M Price       | £ Sq M        | Colliers Price    | £ Sq M        |
|--------------|-------|------|------------|--------------|-------------------|---------------|-------------------|---------------|
| 1            | 1     | 1    | 57.9       | 623          | £275,000          | £4,750        | £290,000          | £5,009        |
| 2            | 1     | 1    | 41.9       | 451          | £250,000          | £5,967        | £250,000          | £5,967        |
| 3            | 2     | 1    | 57.9       | 623          | £278,000          | £4,801        | £295,000          | £5,095        |
| 4            | 2     | 1    | 43.7       | 470          | £253,000          | £5,789        | £255,000          | £5,835        |
| 5            | 3     | 1    | 57.9       | 623          | £281,000          | £4,853        | £300,000          | £5,181        |
| 6            | 3     | 1    | 41.9       | 451          | £235,000          | £5,609        | £260,000          | £6,205        |
| 7            | 4     | 2    | 92.7       | 998          | £370,000          | £3,991        | £400,000          | £4,315        |
| <b>Total</b> |       |      | <b>394</b> | <b>4,240</b> | <b>£1,942,000</b> | <b>£4,930</b> | <b>£2,050,000</b> | <b>£5,204</b> |

5.2.19. This shows a total GDV of £2,050,000 which is an increase of approximately £100,000 on the value adopted by S106 Management.

### 5.3. Office

5.3.1. The proposed schemes includes the retention of office space on the ground and lower ground floors. The units have a combined net initial area (NIA) of 117 sq m (1,259 sq ft) and a GIA of 232 sq m, subject to confirmation. An allowance has been made for the refurbishment of the office space, therefore we have assumed it will be delivered to a good standard with new MNE, air conditioning and servicing. We do not consider Grade A space would be achievable in the subject property and therefore it would not be able to achieve prime rental values but expect the refurbishment to significantly improve the units.

5.3.2. S106 Management have identified several units which are currently on the market. They are largely for high quality office accommodation and are a variety of sizes, ranging from individual units in serviced offices. S106 Management do not consider the higher quality office accommodation in units such as Thames Tower, nor the serviced offices for individual employees, to be comparable to the subject space which we concur with. The average rental value psm they have identified is £283 and they have adopted a rental value of £275 psm (£25.55 psf).

5.3.3. S106 Management have capitalised this income at a yield of 8%. They have deducted purchasers costs at 5.75% of the capital value.

5.3.4. We have identified a range of comparable evidence for both rental and investment transactions. This evidence is provided in Appendix 1.

5.3.5. Overall we consider the rental value adopted by S106 Management is broadly appropriate for the proposed scheme, noting the assumed improved condition on the existing and valuation of the net space exclusive of communal facilities. We consider the gross investment yield of 8% adopted by S106 Management to similarly be appropriate in light of the comparable evidence. For the purposes of this assessment we have adopted a gross yield which encompasses rent free and void periods. We have deducted purchasers costs at 6.8%.

## 6. Development Costs

### 6.1. Construction Costs

6.1.1. S106 Management have used the RICS Build Cost Information Service (BCIS) to estimate their construction costs. We note that NPPG on viability references BCIS as an appropriate database on which to estimate construction costs.

6.1.2. S106 Management refer to recent BCIS updates which refer to the condition of the construction costs market. They note the current inflationary pressures to materials and labour costs, with forecasts suggesting these costs the rate of inflation will reduce in the coming years although costs will continue to rise.

6.1.3. S106 Management have adopted the median cost for rehabilitation / conversion of flats for 3-5 storey buildings, dated 20<sup>th</sup> May 2020, which gives a cost of £1,521 psm (£143 psf). They have adopted a 90% gross net ratio for the proposed residential units.

6.1.4. In addition to the BCIS rates S106 Management have added 5% for external works, 6% for enhanced energy requirements, 0.75% for greenfield biodiversity uplift. We do not consider there would be any need for external works in the scheme so have removed this cost. The Council have also informed us there is no requirement for the greenfield biodiversity uplift cost and we have accordingly removed this cost.

6.1.5. For the Ground and Lower Ground floor office refurbishment they have adopted a lower quartile BCIS rehabilitation / conversion cost for offices of £1,034 psm. No external works, energy requirement or biodiversity allowance has been included on top of this rate.

6.1.6. We have downloaded the BCIS data for June 2023 which shows little variance from the figures S106 Management have adopted. For the purposes of reaching agreement we have adopted the same build cost rates as per the S106 Management assessment.

6.1.7. S106 Management have also included an 8% contingency allowance. They reference the profit target, which we review later, as part of the justification for this cost. Given the BCIS estimates used, and the nature of the scheme as a converted Listed building and having removed external costs, we have adopted a contingency of 8% noting this is higher than we would ordinarily adopt.

### 6.2. Fees

6.2.1. S106 Management have adopted professional fees at 10% of construction costs.

6.2.2. We consider this to be an appropriate allowance.

### 6.3. Planning Obligations

6.3.1. S106 Management have not made any allowance for any S106 Costs.

6.3.2. We understand the scheme is not CIL liable and we, nor S106 Management, have made any allowance for this.

## 6.4. Agency and Legal Fees

6.4.1. S106 Management have adopted the following sales fees for the residential units:

- 2.5% agents and marketing fees
- Legal fees of £1,000 per unit

6.4.2. We consider a combined agents and marketing fee of 2% is appropriate which we have adopted in our appraisal. We consider the legal fees appropriate.

6.4.3. For the office uses S106 Management have included letting fees at 10% of the ERV which we consider appropriate. We have also included disposal fees at 2% on the commercial element.

6.4.4. S106 Management have included purchasers costs at 6.75% of the land price which in this instance is the adopted BLV. We have increased this to 6.8% which is consistent with the rest of our appraisal.

## 6.5. Finance Costs

6.5.1. S106 Management have adopted an interest charge of 8% as a finance cost. They reference the recent increases to the bank of England base rate which at the time of issuing our review has just risen to 5%.

6.5.2. Noting the current interest rates and forecasts for further increases we consider an interest charge of 8% is appropriate for the subject scheme.

## 6.6. Development Timescales

6.6.1. S106 Management have assumed the following development timescales:

- Pre construction: 3 months
- Construction: 12 months
- Sales: 2 months

6.6.2. We consider these to be appropriate assumptions for the subject development.

## 7. Benchmarking

### 7.1. Benchmark Land Value

#### **Policy**

7.1.1. The 2019 National Planning Policy Guidance (NPPG) on viability and decision taking provides guidance for decision makers on how best to approach the assessment of benchmark land value. There is further guidance in the RICS guidance note *Assessing viability in planning under the National Planning Policy Framework 2019 for England* (March 2021). NPPG sets a clear preference for Existing Use Value (EUV) to be used as the primary basis of benchmark land value:

#### ***How should land value be defined for the purpose of viability assessment?***

*To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. 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. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).*

*In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.*

*See related policy: National Planning Policy Framework paragraph 57*

*Paragraph: 013 Reference ID: 10-013-20190509*

*Revision date: 09 05 2019 See previous version*

7.1.2. EUV is further defined as follows:

#### ***What is meant by existing use value in viability assessment?***

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).*

*See related policy: National Planning Policy Framework paragraph 57*

*Paragraph: 015 Reference ID: 10-015-20190509*

*Revision date: 09 05 2019 See previous version*

7.1.3. The above is also clear that under no circumstance should price paid be used as a justification for benchmark land value which is reiterated throughout the NPPG and the GLA's affordable housing and viability SPD (2017).

7.1.4. It is common practice to apply a premium to the existing use value as part of a BLV assessment. The premium provides an incentive for the landowner to release the site for development. This is known as an Existing Use Value Plus (EUV+). NPPG sets the following advice on the setting of landowner premiums:

***How should the premium to the landowner be defined for viability assessment?***

*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 land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.*

*See related policy: National Planning Policy Framework paragraph 57*

*Paragraph: 016 Reference ID: 10-016-20190509*

*Revision date: 09 05 2019 See previous version*

7.1.5. Alternative Use Value (AUV) is another approach that can be taken to assess the BLV. NPPG requires that any AUV assessment is only undertaken in certain circumstances:

***Can alternative uses be used in establishing benchmark land value?***

*For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.*

*Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.*

*See related policy: National Planning Policy Framework paragraph 57*

*Paragraph: 017 Reference ID: 10-017-20190509*

*Revision date: 09 05 2019 See previous version*

### **The site**

7.1.6. The site comprises a five storey mid terrace building which is currently Use Class E Office. The Planning and Heritage Statement submitted with the application lists the property as having been built in 1903 and is of brick construction. To the rear there is a small courtyard enclosed by a brick wall and secure gate which is accessed from Gerrard Street.

7.1.7. We have not measured the existing floorplans of the property. The planning documents submitted with the subject application state the existing GIA is 748.61 sq m and an NIA of 501 sq m. The NIA is verified by the VOA Business Rates measurements.

7.1.8. The most recent EPC for the subject property was issued on 10<sup>th</sup> March 2014 where it achieved a rating of C. This is valid until 9<sup>th</sup> March 2024.

7.1.9. We have been provided with internal photos of the property which show it to be dated and tired. The offices are partitioned into smaller units, the floor is largely carpeted, there is apparent water damage to the suspended ceiling and there is single glazing on one side of the property which is in need of repair and is being enveloped by vegetation. Given the condition it is reasonable to expect the MNE of the office would need updating. If the office were to be relet we consider it would require significant refurbishment.

7.1.10. We understand the site is currently occupied by Chiltern Training Limited. The site is currently held under five separate leases to the tenant which we have been provided with copies of. All but one of the leases expire on 5<sup>th</sup> August 2024, the exception being the 4<sup>th</sup> floor which expires on 21<sup>st</sup> August 2024. We have also been provided with two variations to the leases. We understand the passing rent is £99,910 pa. We have not been provided with confirmation that the tenant is still in place and the passing rent is being received.

### **S106 Management Approach to BLV**

7.1.11. S106 Management have taken the Existing Use Value (EUV) approach to benchmark land value. RICS guidance and NPPG state a preference for the EUV approach to be taken.

7.1.12. S106 Management have used the investment method for the EUV and appear to have assumed vacant possession. They have adopted the rateable value as of 1<sup>st</sup> April 2023 as the rental value which is for £85,000 pa. This equates to approximately £16 per sq ft.

7.1.13. They have capitalised this income at a yield of 10%. They have not deducted any purchasers costs. This calculates to a capital value of £850,000 which is equivalent to £1,136 psm (£107 psf).

7.1.14. S106 Management have not adopted a landowner premium and adopt the EUV of £850,000 as the benchmark land value.

### **Colliers approach to BLV**

7.1.15. We consider the EUV an appropriate basis on which to approach the benchmark land value. S106 Management have not provided any comparable evidence to justify their

valuation which we do not consider to be best practice. For the purposes of this assessment we have similarly assumed vacant possession of the property.

7.1.16. In their assessment of the proposed scheme S106 Management have made an allowance for the refurbishment of the ground and lower ground floors. We do not consider this to be a consistent valuation approach and given the condition of the building consider it appropriate to include an allowance for refurbishment. In their valuation of the proposed scheme S106 Management have included a refurbishment allowance for the retained commercial space and have valued the space at a premium compared to the existing units.

7.1.17. NPPG is clear that when a property is refurbished it should be defined as an Alternative Use Valuation (AUV) approach. NPPG states that where an AUV approach is taken no landowner premium can be included.

7.1.18. For our BLV assessment we have assumed the refurbishment of the existing office space. For the purposes of consistency with our assessment of the proposed scheme we have adopted the same valuation assumptions which are outlined below:

- Rent of £275 psm (£25.55 psf)
- Gross Yield of 8%
- Purchasers costs 6.8%
- Refurbishment cost of £1,034 psm (£96 psf)
- Professional fees at 10%
- Contingency at 8%
- Developer Profit at 10% GDV

7.1.19. This calculates to an AUV of £525,000. The full calculation is provided in Appendix 2. This does not account for the existing leases which would only increase the AUV for the site. While this is below our assessment of EUV we consider this justifies the sum as reasonable.

7.1.20. We accordingly adopt a benchmark land value of £525,000. We similarly do not consider a landowner premium is necessary in this instance and have not included one in our assessment.

## 7.2. Profit Benchmark (Developer Return)

7.2.1. S106 Management have adopted a developer profit margin of 18.5% on GDV. They note this aligns with the Local Plan Viability Study. This has been adopted on both the residential and commercial GDV.

7.2.2. NPPG on viability advises that a suitable return to developers is in the range of 15-20% on GDV.

7.2.3. We consider a reduced rate should be applied to the refurbishment allowance for the commercial space that is being retained as there is significantly reduced risk to the developer. Another approach would be to adopt a developer profit target as a percentage of cost.

7.2.4. For the residential element we consider a reduced developer profit margin is appropriate to reflect the buildings status as a conversion rather than a more 'traditional' new build scheme. There is reduced construction risk to the developer as the site and most of the

structural work is already in place. We consider a lower target as a percentage of developer cost could be used to reflect this.

7.2.5. For the purposes of this assessment we have adopted a developer profit target at 15% of the residential GDV and 10% on GDV for the commercial element. When blended this represents a profit target of 19.5% on cost which is an appropriate allowance for the proposed scheme.

## 8. Viability Assessment

### 8.1. Appraisal Results

8.1.1. We have used ARGUS Developer Software to model the viability of the proposed scheme. The inputs to the appraisal are outlined in this report.

8.1.2. We have fixed the land cost as the benchmark land value. We have include the developer profit target as a fixed cost in the appraisal, meaning the appraisal shows a residual surplus / deficit which is shown as 'PROFIT' at the bottom of the appraisal.

8.1.3. The appraisal summary is attached in Appendix 3. The appraisal shows the scheme produces a surplus of £149,000.

### 8.2. Sensitivity Analysis

8.2.1. In accordance with RICS guidance we have used sensitivity analysis to test the impact changes in certain factors have on the deliverability of the scheme. This analysis is included in Appendix 4.

## 9. Conclusion

### 9.1. Conclusion

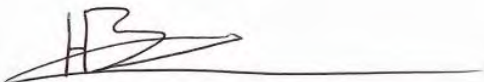
9.1.1. This report has set out the assumptions made when reviewing the viability of the proposed development at 13-15 Station Road, Reading. We have modelled the viability of the proposed scheme in a development appraisal made using Argus Developer software. The inputs to the appraisal are outlined in the report.

9.1.2. We conclude that the proposed scheme produces a surplus of £149,000. On this basis the scheme cannot viably provide the affordable housing contribution of £205,000 which is equivalent to 10% of GDV but can make a contribution toward affordable housing.

9.1.3. We reserve the right to revisit the viability of the scheme on the provision of detailed GIA measurements being provided.

### 9.2. Author Sign Off

9.2.1. This report and its contents was prepared by the following individuals on behalf of Colliers:

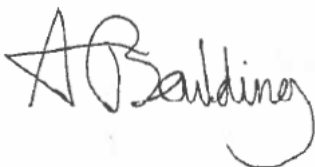


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Senior Surveyor, Development Advisory

Colliers International Property Consultants



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# Appendices

## Appendix 1 – Commercial Comparable Evidence

| Address                                                 | Floor/Unit name                       | Sq Ft  | Sq M  | Grade   | Deal date  | Lease start date | Lease end date | Rent PA | Rent PSF | Rent PSM | Tenant                                |
|---------------------------------------------------------|---------------------------------------|--------|-------|---------|------------|------------------|----------------|---------|----------|----------|---------------------------------------|
| Napier Road, Reading, RG1                               |                                       | 4,833  | 449   |         | 11/11/2021 | 11/11/2021       | 10/11/2026     | 67,662  | 14       | £151     | Mastek UK Limited                     |
| Enterprise House, 95, London Street, Reading, RG1 4QA   | Second Floor<br>Front and Rear Suites | 3,437  | 319   |         | 16/05/2022 | 16/05/2022       | 15/05/2027     | 51,555  | 15       | £161     | Private Individual                    |
| 7-11 Cross Street, First Floor, Reading, RG1 1ST        | First Floor                           | 743    | 69    |         | 09/03/2022 | 29/11/2021       | 28/05/2022     | 11,145  | 15       | £161     | The Rapid Clinic                      |
| Napier Road, Reading, RG1                               |                                       | 3,896  | 362   |         | 11/11/2021 | 11/11/2021       | 10/11/2031     | 58,440  | 15       | £161     | HMT Assurance LLP                     |
| Richfield Place, 12, Richfield Avenue, Reading, RG1 8EQ |                                       | 2,096  | 195   | Grade B | 05/09/2021 | 05/09/2021       | 04/09/2024     | 32,488  | 15.50    | £167     | Oxford Immune<br>Algorithmics Limited |
| 14 -16, Cross Street, Reading, RG1 1SN                  |                                       | 754    | 70    |         | 01/08/2021 | 01/08/2021       | 31/07/2026     | 11,687  | 15.50    | £167     | Concept Care Practice<br>Limited      |
| 6 Richfield Place, Richfield Ave, Reading, RG1 8JS      | Office Building                       | 2,110  | 196   |         | 22/07/2021 | 22/07/2021       | 21/07/2024     | 32,705  | 15.50    | £167     | Oxford Immune<br>Algorythmics         |
| Fife Court, 145, Friar Street, Reading, RG1 1EX         | 1st Floor                             | 1,902  | 177   | Grade B | 01/03/2022 | 01/03/2022       | 29/02/2024     | 30,000  | 15.77    | £170     | Murray McIntosh                       |
| Thames Court, 2, Richfield Avenue, Reading, RG1 8EQ     | First Floor                           | 1,043  | 97    |         | 08/04/2022 | 08/04/2022       | 08/04/2027     | 16,666  | 15.98    | £172     | Private Individual                    |
| 14 -16, Cross Street, Reading, RG1 1SN                  | 3rd Floor                             | 750    | 70    |         | 29/04/2022 | 29/04/2022       | 28/04/2024     | 12,000  | 16       | £172     | Dysexia Research<br>Trust             |
| Bowman House, 2-10, Bridge Street, Reading, RG1         | Ground Floor                          | 1,765  | 164   |         | 30/06/2022 | 30/06/2022       | 29/06/2027     | 32,750  | 18.56    | £200     | KissHouse Limited                     |
| Church House, 57-59 Church Street, Reading, RG4 8AX     | Ground Floor,<br>Office Suite         | 473    | 44    |         | 12/04/2021 | 12/04/2021       | 11/04/2026     | 8,996   | 19.02    | £205     | Delectable Limited                    |
| Sovereign House, 56-59, Vastern Road, Reading, RG1      | Ground Floor,<br>First Floor          | 13,165 | 1,223 | Grade B | 15/07/2022 |                  |                | 263,300 | 20       | £215     | DeskLodge                             |
| 55, St Marys Butts, Reading, RG1 2LG                    | 2nd floor                             | 1,012  | 94    |         | 31/01/2022 | 31/01/2022       | 30/01/2027     | 20,240  | 20       | £215     | MiCim Limited                         |
| 3 Queens Road, Reading, South East, Rg1                 | Part 1st Floor                        | 2,162  | 201   |         | 13/12/2022 | 13/12/2022       | 12/12/2032     | 57,293  | 26.50    | £285     | Everyday Lending<br>Limited           |
| Loch Fyne, Fobney Street, Reading, RG1 6BT              | Ground Floor                          | 1,417  | 132   |         | 15/02/2022 | 15/02/2022       | 14/02/2042     | 38,967  | 27.50    | £296     | Milan Beauty<br>Technologies          |

|                                                                          |                      |        |       |                  |            |            |            |         |       |      |                                 |
|--------------------------------------------------------------------------|----------------------|--------|-------|------------------|------------|------------|------------|---------|-------|------|---------------------------------|
| Reading Bridge House,<br>Reading Bridge, Reading,<br>South East, RG1 8LS | 9th Floor<br>South   | 5,775  | 537   |                  | 21/12/2022 | 21/12/2022 | 20/12/2027 | 167,475 | 29    | £312 | ECapital Commercial<br>Finance  |
| Reading Bridge House,<br>Reading Bridge, Reading,<br>South East, RG1 8LS | 4th North<br>Suite 1 | 1,684  | 156   |                  | 19/12/2022 | 19/12/2022 | 18/12/2027 | 50,520  | 30    | £323 | UNLOQ LIMITED                   |
| The Blade, Abbey Street,<br>Reading, Berkshire, RG1 3BE                  | Part 7 (South)       | 5,876  | 546   |                  | 01/08/2022 | 01/08/2022 | 31/07/2032 | 190,970 | 32.50 | £350 | TRUST ID LIMITED                |
| Forbury Retail Park, Forbury<br>Road, Reading, RG1 3JD                   |                      | 10,917 | 1,014 | Grade<br>A/New   | 30/06/2021 | 30/06/2021 | 29/06/2031 | 365,719 | 33.50 | £361 | RSM UK                          |
| 4th Floor West B, One Valpy,<br>Valpy Street, Reading, RG1               | 4th Floor West<br>B  | 1,832  | 170   |                  | 01/09/2022 | 02/03/2022 | 01/03/2027 | 62,020  | 33.85 | £364 | Mabey Holdings Ltd              |
| Abbey Gate, 57-75, Kings<br>Road, Reading, RG1 3AB                       | 2nd                  | 3,267  | 304   |                  | 01/11/2022 | 01/11/2022 | 31/10/2027 | 111,078 | 34    | £366 | IN2 Consult                     |
| One Valpy Reading RG1 1AR                                                | 6th Floor            | 2,440  | 227   |                  | 31/05/2022 | 31/05/2022 | 30/05/2032 | 85,400  | 35    | £377 | Clifton Ingram                  |
| One Valpy, Reading, RG1                                                  | 7th                  | 3,454  | 321   |                  | 13/04/2022 |            |            | 120,890 | 35    | £377 | Stibo                           |
| One Valpy, Reading RG1 7AR                                               | 7th Floor            | 3,454  | 321   |                  | 28/02/2022 | 13/04/2022 | 12/04/2032 | 120,890 | 35    | £377 | Stibo                           |
| Apex Plaza, Forbury Road,<br>Reading, RG1 1AT                            | Block B 6th<br>Floor | 5,479  | 509   | Grade<br>A/New   | 25/05/2021 | 25/05/2021 | 24/05/2026 | 191,765 | 35    | £377 | Global Media &<br>Entertainment |
| 1st Floor (East), One Valpy,<br>Valpy Street, Reading, RG1               | 1st Floor (East)     | 7,184  | 667   |                  | 23/07/2021 | 23/07/2021 | 22/07/2031 | 253,963 | 35.35 | £381 | Grant Thornton UK<br>LLP        |
| Forbury Retail Park, Forbury<br>Road, Reading, RG1 3JD                   | Part Ground          | 3,656  | 340   |                  | 01/04/2022 |            |            | 129,788 | 35.50 | £382 | Savills                         |
| The Brick Works, 35 - 43<br>Greyfriars Rd, Reading RG1                   | 3rd Floor            | 4,200  | 390   |                  | 01/03/2022 |            |            | 150,150 | 35.75 | £385 | CPL                             |
| 2 Forbury Place, Forbury<br>Road, Reading, RG1 3JH                       | 1st                  | 22,616 | 2,101 | Not<br>Applicabl | 18/03/2022 | 17/03/2022 | 16/03/2032 | 825,484 | 36.50 | £393 | Rapid7                          |
| Hmyoi And Rc Reading,<br>Forbury Road, Reading, RG1                      | Second Floor         | 22,616 | 2,101 | Grade<br>A/New   | 16/03/2022 | 16/03/2021 | 15/03/2031 | 825,484 | 36.50 | £393 | Rapid7 International<br>Limited |
| No.2 Forbury Place                                                       | 1st Floor            | 22,600 | 2,100 |                  | 01/03/2022 |            |            | 824,900 | 36.50 | £393 | Rapid 7                         |
| 5th Floor, Phoenix Building,<br>Station Hill, Reading, RG1               | 5th Floor            | 6,015  | 559   |                  | 01/09/2021 | 01/09/2021 | 01/09/2031 | 219,547 | 36.50 | £393 | MarketCast                      |

|                                                                      |                                |        |       |                |            |            |            |         |       |      |                                       |
|----------------------------------------------------------------------|--------------------------------|--------|-------|----------------|------------|------------|------------|---------|-------|------|---------------------------------------|
| Town Hall, Blagrove Street, Reading, RG1 1QH                         | Third Floor, Part Fourth       | 25,299 | 2,350 | Grade A/New    | 01/12/2021 | 01/12/2021 | 30/11/2031 | 948,712 | 37.50 | £404 | Ernst & Young                         |
| Suite 3, Second Floor, Block D, Apex, Forbury Road, Reading, RG1 1AX | Second Floor, Block D          | 1,302  | 121   | Grade A/New    | 29/09/2022 |            |            | 49,000  | 37.63 | £405 | Time Finance                          |
| No. 3 Forbury Place, Forbury Road, Reading, RG1 3JH                  | 1st Suite A                    | 4,566  | 424   | Not Applicabl  | 26/04/2022 | 26/04/2022 | 25/04/2028 | 173,508 | 38    | £409 | Posh.com                              |
| First Floor Unit B - Suite A, 3 Forbury Place, Reading, RG1 3YL      | First Floor Unit B - Suite A   | 4,566  | 424   |                | 25/04/2022 | 25/04/2022 | 24/04/2028 | 173,508 | 38    | £409 | Posh Virtual Receptionists UK Limited |
| 1st Floor 3 Forbury Place Reading RG1 3YL United Kingdom             |                                | 4,566  | 424   | Not Applicable | 08/04/2022 | 08/04/2022 | 07/04/2028 | 173,508 | 38    | £409 | Private Individual                    |
| The Brickworks Reading                                               | 1st                            | 4,256  | 395   |                | 01/08/2022 | 01/08/2022 | 31/07/2027 | 163,856 | 38.50 | £414 | Keyloop                               |
| Apex, Forbury Road, Reading, Berkshire, RG1 1AX                      | Block C, Ground Floor, Suite 1 | 2,412  | 224   |                | 10/02/2023 | 10/02/2023 | 09/02/2028 | 94,068  | 39    | £420 | Deriv Technologies Ltd                |
| Apex, Forbury Road, Reading, Berkshire, RG1 1AX                      | Unit 2                         | 1,076  | 100   | Grade A/New    | 28/06/2021 | 28/06/2021 | 27/06/2022 | 41,964  | 39    | £420 | M12 Solutions Ltd                     |
| Apex Plaza, Forbury Road, Reading, RG1 1AT                           | Suite 1, Floor 3, Block D      | 1,176  | 109   |                | 08/09/2021 | 08/09/2021 | 07/09/2026 | 46,452  | 39.50 | £425 | Interpath                             |
| Thames Tower, 37-45, Station Road, Reading, RG1                      | Office                         | 6,800  | 632   |                | 01/10/2021 | 01/10/2021 | 31/03/2027 | 272,000 | 40    | £431 | Riot Games                            |

## Appendix 2 – AUV Calculation

**13-15 Station Road, AUV**

| <u>Input</u>               | <u>Sq M</u> | <u>£ Sq M</u> | <u>Total</u>      |
|----------------------------|-------------|---------------|-------------------|
| GIA                        | 748.61      |               |                   |
| NIA                        | 502.90      |               |                   |
| <b>Revenues</b>            |             |               |                   |
| Rental Value               |             | £275          | £138,298          |
| Yield                      | 8%          |               | £1,728,719        |
| Less PC                    | 6.80%       |               |                   |
| Total GDV                  |             |               | <b>£1,611,166</b> |
| <b>Costs</b>               |             |               |                   |
| Refurbishment              |             | £1,034        | £774,063          |
| Professional Fees          | 10%         |               | £77,406           |
| Contingency                | 8%          |               | £61,925           |
| Profit                     | 10% on GDV  |               | £172,872          |
| Total Cost                 |             |               | <b>£1,086,266</b> |
| <b>Residual Land Value</b> |             |               | £524,900          |
| Rounded                    |             |               | <b>£525,000</b>   |

## Appendix 3 – Appraisal Summary

13-15 Station Road  
FVA

Development Appraisal  
Colliers  
27 June 2023

**APPRAISAL SUMMARY****COLLIERS**

13-15 Station Road  
FVA

## Appraisal Summary for Phase 1

Currency in £

**REVENUE**

| Sales Valuation | Units | m <sup>2</sup> | Sales Rate m <sup>2</sup> | Unit Price | Gross Sales |
|-----------------|-------|----------------|---------------------------|------------|-------------|
|                 | 7     | 394.00         | 5,203.05                  | 292,857    | 2,050,000   |

**Rental Area Summary**

| Units | m <sup>2</sup> | Rent Rate m <sup>2</sup> | Initial MRV/Unit | Net Rent at Sale |
|-------|----------------|--------------------------|------------------|------------------|
| 1     | 117.00         | 275.00                   | 32,175           | 32,175           |

**Investment Valuation**

|              |        |      |         |         |         |
|--------------|--------|------|---------|---------|---------|
| Current Rent | 32,175 | YP @ | 8.0000% | 12.5000 | 402,188 |
|--------------|--------|------|---------|---------|---------|

**GROSS DEVELOPMENT VALUE****2,452,188**

Purchaser's Costs

(27,349)

Effective Purchaser's Costs Rate

6.80%

(27,349)

**NET DEVELOPMENT VALUE****2,424,839****NET REALISATION****2,424,839****OUTLAY****ACQUISITION COSTS**

|             |         |         |         |
|-------------|---------|---------|---------|
| Fixed Price | 525,000 |         |         |
| Fixed Price |         | 525,000 |         |
|             |         |         | 525,000 |
| Stamp Duty  | 5.00%   | 26,250  |         |
| Agent Fee   | 1.20%   | 6,300   |         |
| Legal Fee   | 0.60%   | 3,150   |         |
|             |         |         | 35,700  |

**CONSTRUCTION COSTS**

| Construction  | m <sup>2</sup>              | Build Rate m <sup>2</sup> | Cost             |
|---------------|-----------------------------|---------------------------|------------------|
|               | 232.00                      | 1,034.00                  | 239,888          |
|               | <u>516.00</u>               | <u>1,521.00</u>           | <u>784,836</u>   |
| <b>Totals</b> | <b>748.00 m<sup>2</sup></b> |                           | <b>1,024,724</b> |
| Contingency   |                             | 8.00%                     | 81,978           |
|               |                             |                           | 1,106,702        |

**PROFESSIONAL FEES**

|                   |        |         |         |
|-------------------|--------|---------|---------|
| Professional Fees | 10.00% | 102,472 |         |
|                   |        |         | 102,472 |

**MARKETING & LETTING**

|                   |        |       |       |
|-------------------|--------|-------|-------|
| Letting Agent Fee | 10.00% | 3,218 |       |
| Letting Legal Fee | 0.60%  | 193   |       |
|                   |        |       | 3,411 |

**DISPOSAL FEES**

|                 |       |        |  |
|-----------------|-------|--------|--|
| Sales Agent Fee | 2.00% | 48,497 |  |
| Sales Legal Fee |       | 7,000  |  |

**APPRAISAL SUMMARY****COLLIERS****13-15 Station Road****FVA**

55,497

**Additional Costs**

Residential Profit

307,500

Commercial Profit

40,200

347,700

**TOTAL COSTS BEFORE FINANCE****2,176,482****FINANCE**

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)

Land

54,312

Construction

39,620

Other

5,411

Total Finance Cost

99,343

**TOTAL COSTS****2,275,824****PROFIT****149,014****Performance Measures**

Profit on Cost%

6.55%

Profit on GDV%

6.08%

Profit on NDV%

6.15%

Development Yield% (on Rent)

1.41%

Equivalent Yield% (Nominal)

8.00%

Equivalent Yield% (True)

8.42%

IRR% (without Interest)

17.86%

Rent Cover

4 yrs 8 mths

Profit Erosion (finance rate 8.000)

10 mths

13-15 Station Road  
FVA

Initial  
MRV  
32,175

## Appendix 4 – Sensitivity Analysis

**SENSITIVITY ANALYSIS REPORT****COLLIERS**

13-15 Station Road  
FVA

**Table of Profit Amount and Profit on GDV%**

| Construction: Gross Cost |          |          |           |            |            |
|--------------------------|----------|----------|-----------|------------|------------|
| Sales: Gross Sales       | -10.000% | -5.000%  | 0.000%    | +5.000%    | +10.000%   |
| -10.000%                 | £73,143  | £10,287  | (£52,569) | (£115,425) | (£178,281) |
| 1,845,000                | 3.255%   | 0.458%   | -2.339%   | -5.136%    | -7.934%    |
| -5.000%                  | £173,935 | £111,079 | £48,223   | (£14,633)  | (£77,489)  |
| 1,947,500                | 7.402%   | 4.727%   | 2.052%    | -0.623%    | -3.298%    |
| 0.000%                   | £274,726 | £211,870 | £149,014  | £86,158    | £23,302    |
| 2,050,000                | 11.203%  | 8.640%   | 6.077%    | 3.514%     | 0.950%     |
| +5.000%                  | £375,518 | £312,662 | £249,806  | £186,950   | £124,094   |
| 2,152,500                | 14.699%  | 12.239%  | 9.778%    | 7.318%     | 4.858%     |
| +10.000%                 | £476,310 | £413,454 | £350,598  | £287,742   | £224,886   |
| 2,255,000                | 17.925%  | 15.560%  | 13.194%   | 10.829%    | 8.463%     |

**Sensitivity Analysis : Assumptions for Calculation****Construction: Gross Cost**

Original Values are varied by Steps of 5.000%.

| Heading | Phase | Amount   | No. of Steps   |
|---------|-------|----------|----------------|
|         | 1     | £239,888 | 2.00 Up & Down |
|         | 1     | £784,836 | 2.00 Up & Down |

**Sales: Gross Sales**

Original Values are varied by Steps of 5.000%.

| Heading | Phase | Amount     | No. of Steps   |
|---------|-------|------------|----------------|
|         | 1     | £2,050,000 | 2.00 Up & Down |



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