



S T U R T
& C O M P A N Y
UNLOCKING VALUE FROM LAND

Viability Report

for

**1029 Oxford Road
Reading
RG31 6TL**

Private and Confidential

Prepared by

Prepared by Malcolm Barber, DipArb MRICS MCI Arb

11 April 2025

UNLOCKING VALUE FROM LAND

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1.0 INTRODUCTION

- 1.1 Sturt & Company have been instructed to undertake a viability assessment report on 1029 Oxford Road Reading RG31 6TL in connection with a planning application to demolish the existing building and erect a new block of 8 flats.
- 1.2 This assessment of Economic Viability follows the Residual Valuation method in accordance with the RICS Guidance – Financial Viability In Planning: Conduct and Report. It has been carried out in accordance with the NPPF and Planning Practice Guidance.
- 1.3 A significant factor in the site's overall economic viability is the need to generate a suitable incentive to the landowner and developer to bring the site forward for development, in accordance with National Planning Policy Framework.
- 1.4 This is an Expert Surveyor's Report that is appropriate for submission to the Planning Inspectorate, if required.

Proposed Scheme

- 1.5 A planning application has been submitted to demolish the existing building, that comprises 4 self contained flats with a garage and replace it with a new three storey block with 8 flats, comprising of 2 two bedroom flats and 6 one bedroom flats with parking, gardens, bin and bike store.
- 1.6 Reading Borough Council have adopted The Affordable Housing Supplementary Planning Document adopted. This sets out a requirement for all schemes that provide between 5 and 9 units to make a contribution towards off-site affordable provision. The contribution is calculated based on 10% of the GDV of the completed scheme. The Local Authority have calculated the Affordable Housing Contribution for the proposed scheme is £150,000.
- 1.7 This report assesses the viability of the proposed scheme, in accordance with planning guidance, to establish whether the proposed scheme is sufficiently viable to make the contribution calculated by the Local Authority.

Qualifications

- 1.8 My name is Malcolm Barber, I am a Member of the Royal Institution of Chartered Surveyors and a Registered Valuer and Member of the Chartered Institution of Arbitration. I have been active in providing valuations for commercial and residential property in Southern England for over 30 years.
- 1.9 I joined Sturt & Company Ltd in April 2016, having previously worked for over 25 years for Jones Lang LaSalle (formerly King Sturge). I was Head of the Professional Consulting Team in JLL's Southampton Office that provided valuation and consultancy advice in Southern England.

- 1.10 I have provided advice to a wide range of public sector, financial institutions, companies as well as individuals, covering investments, development sites and owner-occupied properties. I have acted for the public sector including the HCA (formally the Regional Development Agencies) and Land Registry, to provide strategic development options and valuation advice on a diverse range of both commercial and residential assets.

Extent

- 1.11 Please note that this report and its appraisals are for assessing the viability of the scheme for planning purposes and does not constitute a formal or RICS Red Book Valuation for funding or other purposes.
- 1.12 This report cannot be relied upon by any third party for any purpose and is to be treated as Private and Confidential due to the detailed transactions contained within it, which are confidential.

2.0 LOCATION

- 2.1 The property is located on to Oxford Road to the west of Reading town centre.
- 2.2 The property is in a mixed use area being immediately opposite a former Peugeot car dealership beyond which is the main line main railway line. To the south of Oxford Road is predominantly residential in nature comprising mainly larger houses some of which have been converted into flats. There are a limited number of new build flat blocks in the area and the dealership opposite and the adjoining site is proposed to be developed as flats.
- 2.3 Reading town centre is located approximately 3.5 miles to the east with Oxford Road well accessible via public transport having a regular bus service and the nearby Tilehurst Railway Station.

3.0 DESCRIPTION

- 3.1 The property comprises an early post World War II detached house with single garage that has been converted to provide four one bedroom flats. There is parking in the full forecourt for approximately five cars together with a large garden to the rear.
- 3.2 The building is two storey and constructed with brick and pebble dash elevations having replacement double glazed windows lying under a clay tiled roof.
- 3.3 The topography of the site slopes steeply up from Oxford Road which results in a retaining wall to the rear of the building. In addition to the site on the east the boundary is defined by a retaining wall as the undeveloped site is lower.
- 3.4 Access onto the site is currently directly off Oxford Road and this will remain the entrance for the new development.

3.5 We were unable to gain access to the flat internally because they are all let and occupied. We are informed that they fully comply with all regulations and requirements for flats.

3.6 The accommodation can be summarised as follows:

Floor	Unit	Description	Sq M	Sq Ft
Ground	1	Living, Kitchen, Bedroom and Shower Room	49.00	527
	2	Living/Bedroom, Kitchen and Shower Room	41.00	411
First	3	Living/Bedroom, Kitchen and Shower Room	48.00	517
	4	Living/Bedroom, Kitchen and Shower Room	41.00	441
Garage		Storage	15.13	163
		Total	194.13	2,090

3.7 The building as whole including common areas totals 231.40 m (2,491 sq ft). The site totals 0.10 ha (0.25 acres).

3.8 Plans of the site are attached at **Appendix 1** with Photographs of the property are attached at **Appendix 2**. Sales details are attached at Appendix 3.

4.0 PROPOSED SCHEME

4.1 The proposal is to demolish the existing building and replace it with a new three storey block comprising 8 flats having car parking to the front of the building with patio and garden to the rear.

4.2 To ensure it is in keeping with neighbouring buildings and to reflect the existing building, the exterior detailing will be upgraded. The building will have brick elevations with extra detailing to heads, sills, porch, parapet & bays with domed roof.

4.3 Due to the topography, there is a requirement to regrade the site resulting in cutting in and removing soil with the garden held back by new retaining walls.

4.4 To the front of site there will be six car parking spaces with car charger resulting in some flats not having a car parking space

4.5 Mains drainage is available, but it is proposed to install onsite attenuation

4.6 Details of the accommodation are as follows: -

Floor	No	Description	Size	
			Sq M	Sq Ft
Ground	1	Sitting room/kitchen, 2 bedrooms and bathroom	71.90	774
	2	Sitting room/kitchen, bedroom and bathroom	58.20	626
	3	Sitting room/kitchen, 2 bedrooms and bathroom	72.10	776
First	4	Sitting room/kitchen, bedroom and bathroom	50.40	543
	5	Sitting room/kitchen, bedroom and bathroom	50.00	538
	6	Sitting room/kitchen, bedroom and bathroom	50.10	539
Second	7	Sitting room/kitchen, bedroom and bathroom	54.70	589
	8	Sitting room/kitchen, bedroom and bathroom	52.90	569
		Total	460.30	4,955

4.7 The Gross Internal Floor Area of the apartments has been calculated as follows:

Floor	Description	Sq m	Sq ft
Ground	3 Flats	237.60	2,558
First	3 Flats	176.50	1,900
Second	2 Flats	126.00	1,356
Outside	Bin Store	19.50	210
	Bike Store	7.80	84
	Total	567.40	6,107

4.8 Plans of the proposed scheme are attached at **Appendix 5**.

5.0 VIABILITY ASSESSMENT – DEVELOPMENT COSTS

5.1 In accordance with the National Planning Practice Guidance, the viability assessment is based upon the same methodology as the Local Authority's viability study. Our appraisal reflects many of the inputs used in the area wide viability used to establish the Local Authority's Policy for Affordable Provision.¹

5.2 The inputs are as follows:

¹ PPG 2018 paragraph 008.

Assumption	Sturt & Co Inputs	Comments
BCIS Build Cost	£1,857 sq m (£172.52 sq ft)	Latest BCIS Default period adopted.
Build Cost Contingency	5.0%	Small site allowance
Electric Chargers	1,000 per unit	
Utility Connection Charges	£3,700 per unit	
Professional Fees on construction costs	8.0%	
NHBC/Warrantees per unit	£1,250	
Finance Cost	8.5 %	Including initial fees and repayment costs reflecting recent increases in Base Rates and Increased margin required by bank which is between 4% and 6% above base
Marketing Budget	2.5% of GDV	
Sales Incentives per private unit	£750 per unit	Reflects market conditions. Inc electrical white goods and floor coverings
Legal Cost	£1,250	Inclusive of abortive costs and setting up a management company
Sales Void (Private)	£250 per unit	Based on an average of 2.0 month void
Developer Profit on Private Residential	17.5% on GDV	

Cost of Constructing Units

- 5.3 In accordance with good practice BCIS costs have been used for the assessment of base build cost. The default period for Flats (apartments) 3-5 storey has been used. This equates to £1,857 sq m (£172.52 sq ft).
- 5.4 When comparing the BCIS five year to the default costs it is clear that current build costs are running significantly ahead of the default period which is calculated by an average of an extended period. Accordingly, having used the default and in accordance with good practice, an additional allowance has been made for Part L upgrades, solar panels and car chargers.

Site Specific Costs

- 5.5 Site specific consideration are as follows: -

Site Specific Costs	Cost
Demolition including foundation removal (excluding service disconnection)	£21,500

Cut and Muck Away @ £40 m3	
Extra Detaining to Heads, Cills, Porch, Parapet & Bays Material Cost only	£15,000
Attenuation PC Sum	£10,000
Retaining walls 1.34m high. 59m @ TBA	TBA

5.6 At this stage, not all site specific costs have been assessed but these can be included in update appraisals when they are become available.

5.7 All above costs exclude fees and contingency.

Other Costs

5.8 Costs for EPC and PAT testing of appliances in preparation of sale of the property, as well as warranties, like NHBC has been allowed for.

5.9 In addition, an allowance for legal fees to transact the sales on the private units of £1,250 per unit has been made. This includes the initial lump sum charged by solicitors for sales of this nature to achieve first registration and abortive cost of sales do not proceed to completion.

5.10 Increasingly, we are noting that in the current market, house builders are required to provide additional incentives in order to achieve sales. This is often in a form of floor coverings throughout, upgrades to kitchens including electrical appliances and subsidising or paying the whole Stamp Duty Land Tax (SDLT). In addition, there is often a requirement help with legal fees or relocation package which results in the developer buying the purchaser's existing house and then reselling it. All these incentives add a cost to the development, but the package varies between units.

5.11 I have analysed these packages on a number of schemes and conclude for a scheme of this type, that an average incentive package of at least £1,500 per unit. This does not include upgrades in the fitout and legal assistance type incentives.

5.12 I have allowed a contingency of 5% on the overall build. This reflects the current risk regarding future cost of materials and difficulty over future labour availability for a small brown field development in a rural location.

Holding Costs

5.13 When the development is complete there will be holding costs on the private units until the sale is completed. This will include Council Tax and Service Charge as well as utility charges such as water, gas and electricity. I have averaged the Council Tax based on our experience of other nearby sites and have applied these to the site.²

² It should be noted that if properties remain empty for 24 month there may be a surcharge on Council Tax.

5.14 Set out below is a summary of these holding costs of void units.

Item	Cost
Council Tax per Month	£134.51
Utility Charges per Month	£25.00
Garden/Site Maintenance	£100.00
Cost per Month per Unit	£259.51

Profit

5.15 I have allowed a profit of 17.5% on the private element which is typical for small schemes of this nature.

Statutory Costs

5.16 We have applied CIL at a rate of £183.96 sq m.

5.17 We are informed that an Affordable Housing Calculation has been made by the Local Authority calculate to be £150,000.

5.18 At this stage, I have not been informed if any additional Section 106 payments or BNG/Neutrality payments or works are required but we can update this report when this is settled.

Development Timeframe

5.19 I have assumed that the development will be phased with a sales rate based on 1 per month. The timetable is as follows:

- Lead in Period of 3 months
- Build Period 12 months
- Sales Period 5 months.

6.0 VIABILITY ASSESSMENT - GROSS DEVELOPMENT VALUE

6.1 The Gross Development Value is the resulting revenue that can be generated from the scheme. In this case, it will be the sale value of the houses.

Private Sector Housing

6.2 There are few new build houses in the immediate locality from which to draw a comparison. Accordingly, I have looked at the local housing market which includes modern housing as well as older houses but of a similar scale to give guidance to an appropriate price.

6.3 In considering the appropriate value of the completed scheme I have had regard to the following: -

Oxford Road Reading is currently on the market. It comprises a recently refurbished 1 bedroom flat that extends to 452 sq ft. It is currently under offer at guide price of £180,000 which equates to £398 sq ft.

Branagh Court Reading is currently on the market. It comprises a 1 bedroom flat that extends to 590 sq ft. It is currently under offer at guide price of £182,500 which equates to £309 sq ft.

Spey Road Tilehurst is currently on the market. It comprises 1 bedroom flat with balcony that extends to 537 sq ft. The sale price of £180,000 equates to £335 sq ft.

Brock Gardens Reading is currently on the market. It comprises 1 bedroom flat that extends to 437 sq ft. The sale price of £170,000 equates to £389 sq ft.

Flat 4 Sulham Place Pangbourne Street Reading is currently on the market. It comprises a modern 1 bedroom flat that extends to 481 sq ft. It is currently under offer at guide price of £210,000 which equates to £436 sq ft.

Plot 43 Dee Road Tilehurst is currently on the market. It comprises new build 1 bedroom flat with parking that extends to 569 sq ft. The sale price of £257,000 equates to £453 sq ft.

Flat 11 Lippincote Court Oxford Road Tilehurst sold in November 2024. It comprises purpose build top floor 2 bedroom flat with parking that extends to 592 sq ft. The sale price of £225,000 equates to £380 sq ft.

37 Dudley Close Tilehurst sold in October 2024. It comprises a 2 bedroom flat with garage and garden that extends to 667 sq ft. The sale price of £225,000 equates to £409 sq ft.

Flat 15 Wheeler Court Armour Hill Tilehurst sold in November 2024. It comprises purpose built 2 bedroom flat that extends to 549 sq ft. The sale price of £192,000 equates to £349 sq ft.

26 Saunders Court Bowling Green Lane Purley On Thames is currently on the market. It comprises purpose built 2 bedroom flat with balcony and garage that extends to 638 sq ft. The sale price of £255,000 equates to £400 sq ft.

20 Branagh Court Reading is currently on the market. It comprises purpose built 2 bedroom with en-suite, two balconies and parking that extends to 769 sq ft. The sale price of £220,000 equates to £285 sq ft.

Wheeler Court Armour Hill Tilehurst is currently on the market. It comprises purpose built 2 bedroom flat that extends to 524 sq ft. The sale price of £210,000 equates to £400 sq ft.

Tay Road Tilehurst is currently on the market. It comprises new build 2 bedroom with large balcony that extends to 600 sq ft. The sale price of £215,000 equates to £358 sq ft.

Craig House Craig Avenue Reading is currently on the market. It comprises new build 2 bedroom with lift and car parking extending to 628 sq ft. The sale price of £215,000 equates to £342 sq ft.

Plot 38 Dee Road Tilehurst is currently on the market. It comprises new build 2 bedroom flat with ensuite and parking that extends to 808 sq ft. The sale price of £365,000 equates to £452 sq ft.

Private Unit GDVs

6.4 Having regard to the transaction, set out below is our estimate of GDV:

• Unit 1	£210,000	£271 sq ft
• Unit 2	£190,000	£303 sq ft
• Unit 3	£220,000	£332 sq ft
• Unit 4,5 and 6	£180,000	£333 sq ft
• Unit 7 and 8	£170,000	£294 sq ft

7.0 BENCHMARK LAND VALUE

7.1 Planning Policy Guidance 013-014 and RICS Guidance is clear that the primary approach to the valuation of the site is Existing or Current Use Value plus an incentive to the Vendor to bring a site forward for development. The Current Use Value + incentive method results in a Benchmark Land Value.

7.2 The accepted practice for properties of this nature, being a block of flats, is that Benchmark Land Value should be established on an Existing or Current Use Value of the property plus a premium for the landowner.

7.3 In this case the building has recently been offer as an investment that had the potential to be let. It was initially offered at a guide price of £700,000 but was subsequently purchased for £620,000. The property is currently let by way of 4 tenant, all on separate Assured Shorthold Tenancies. Having considered the matter I have concluded that the recent sale process fairly reflects current market value for the property in its current residential use.

7.4 The Benchmark Land Value is as follows.

Description	Benchmark Land Value
Four Flats at average of £150,000 per unit	£600,000
Garage @ £20,000	£20,000
Current Use Value	£620,000
Landowners Premium at 20%	£124,000
Benchmark Land Value	£744,000

8.0 COMMERCIAL VIABILITY ANALYSIS

8.1 Set out below is an overview of the residual outputs. Taking this into account, it is clear that the proposed scheme is not viable enough to provide a policy

compliant Affordable contribution.

- 8.2 Below is the residual outcome of the proposed scheme with 100% private units.

Scheme	Residual Land Output
New Build Scheme for 8 Flats	-£350,000

- 8.3 The residual appraisal does not include the Benchmark Land Value or the affordable housing contribution. If it did the outcome would be even worse as there would be the additional cost, fees acquisition costs³ and interest on the land and contribution during the development period.
- 8.4 This clearly demonstrates that the proposed redevelopment is not sufficiently viable to support any Affordable Housing Contribution. This is not surprising as National Planning Guidance does not require scheme of 9 units or less in urban areas providing affordable housing. This is compounded by the reality that the site has comprised 4 flats, so the current use value is elevated by comparison to a undeveloped site.
- 8.5 We have prepared a Sensitivity Analysis assuming a variation of 2.5% increments of GDVs and 2.5% costs. It is however recognised that build cost inflation has been significant and there is minimal prospect of costs reducing over the expected development period in which the site will be delivered.
- 8.6 In addition, a sensitivity has been run based on a GDV that is well in excess of the values in the area but reflect other new build schemes in the wider Reading area. Even at average GDV of £400 sq ft which results in the 1 bed units having a value of £215,000 to £250,000 and the 2 bed units having a value of £310,000 the residual only breaks even only if there is no Benchmark Land Value. So even at this unrealistic level is unviable to provide an affordable housing contribution.
- 8.7 The sensitivity analysis clearly shows that even on overly ambitious projections of GDVs the scheme does not achieve sufficient viability that would justify a contribution towards affordable housing.
- 8.8 Attached at **Appendix 5** are copies of the residual development appraisals. We would be happy to provide the Local Authority's surveyor working version of residual appraisal if that was considered helpful.

10.0 STATEMENT OF TRUTH AND DECLARATION

Statement of Truth

- 10.1 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed

³ This would include legal, surveyors and SDLT.

represent my true and complete professional opinions on the matters to which they refer.’⁴

Declaration

1. I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.
2. I confirm that I understand and have complied with my duty as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively and that I will continue to comply with that duty as required.
3. I confirm that I am not instructed under any conditional or other success-based fee arrangement.
4. I confirm that I have no conflicts of interest.
5. I confirm that my report complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS Practice Statement ‘Surveyors Acting As Expert Witnesses’.

I trust my report covers all matters required, but if you require any additional clarification, please do not hesitate to let me know.

Yours sincerely



Malcolm Barber
DipArb, MRICS, MCI Arb
Sturt and Company Ltd

11 April 2025

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Mob: 07889 162938

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Appendix 1

Site Plan and Existing Building Plan

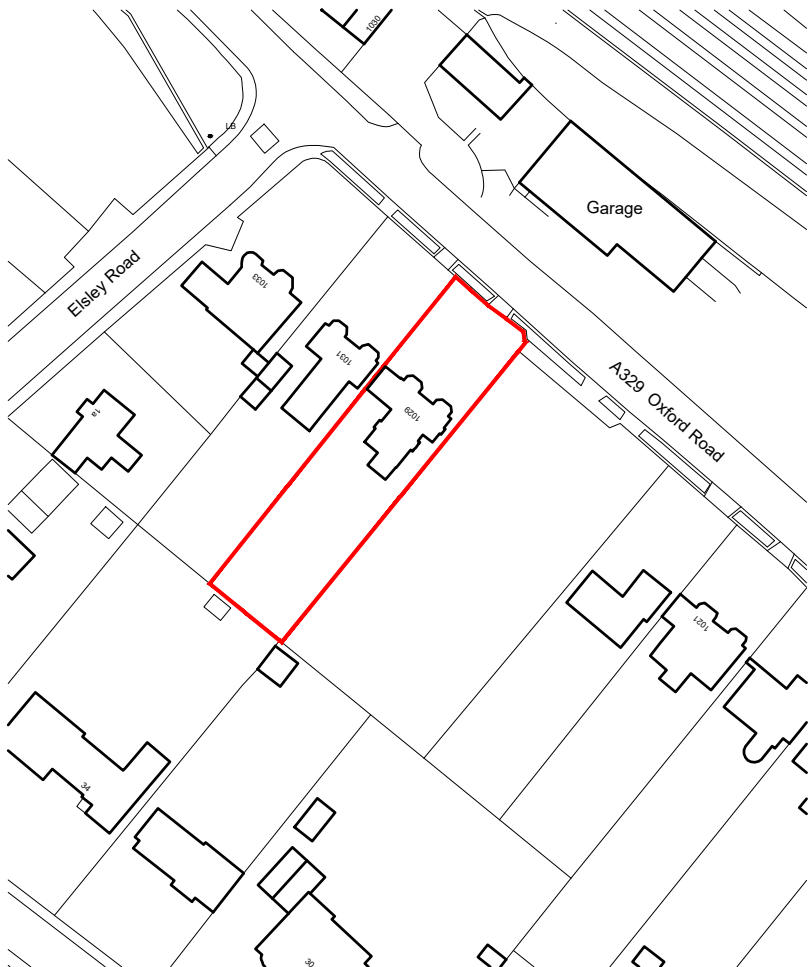
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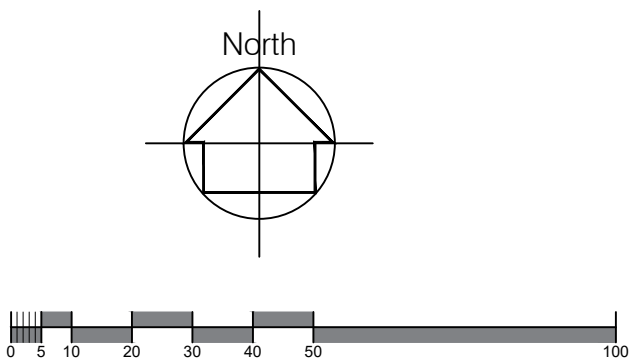
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REV	DATE	DESCRIPTION	INITIAL	CHECKED
PLANNING				



harding rose architects

CLIENT		Chesters Place Limited	
PROJECT		Oxford Road, Reading	
TITLE		Location Plan	
SCALE	DATE		
1:100@A2	23.12.24		
DRAWN	PROJECT NO.		
KN	24.1168		
		L.01	A

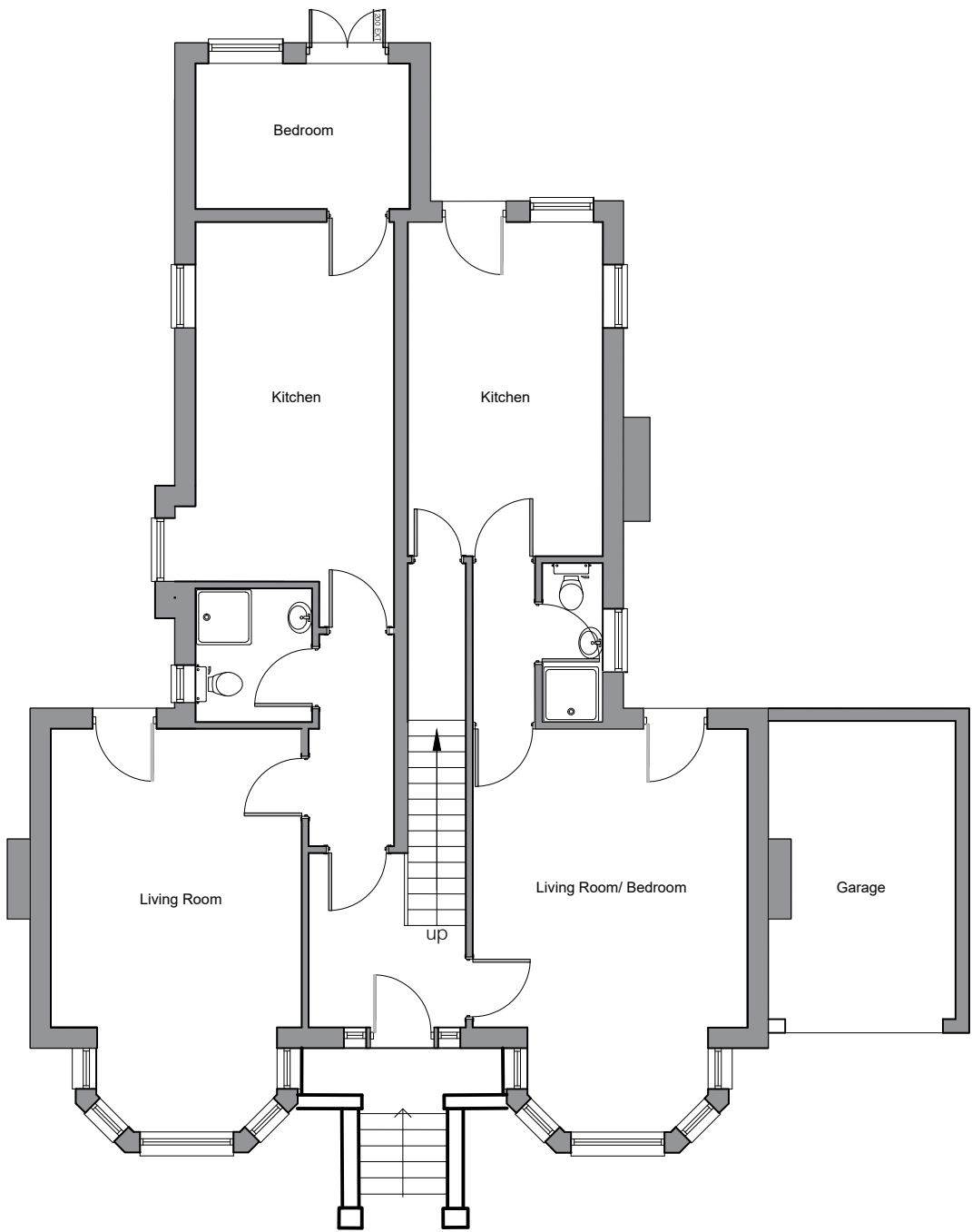
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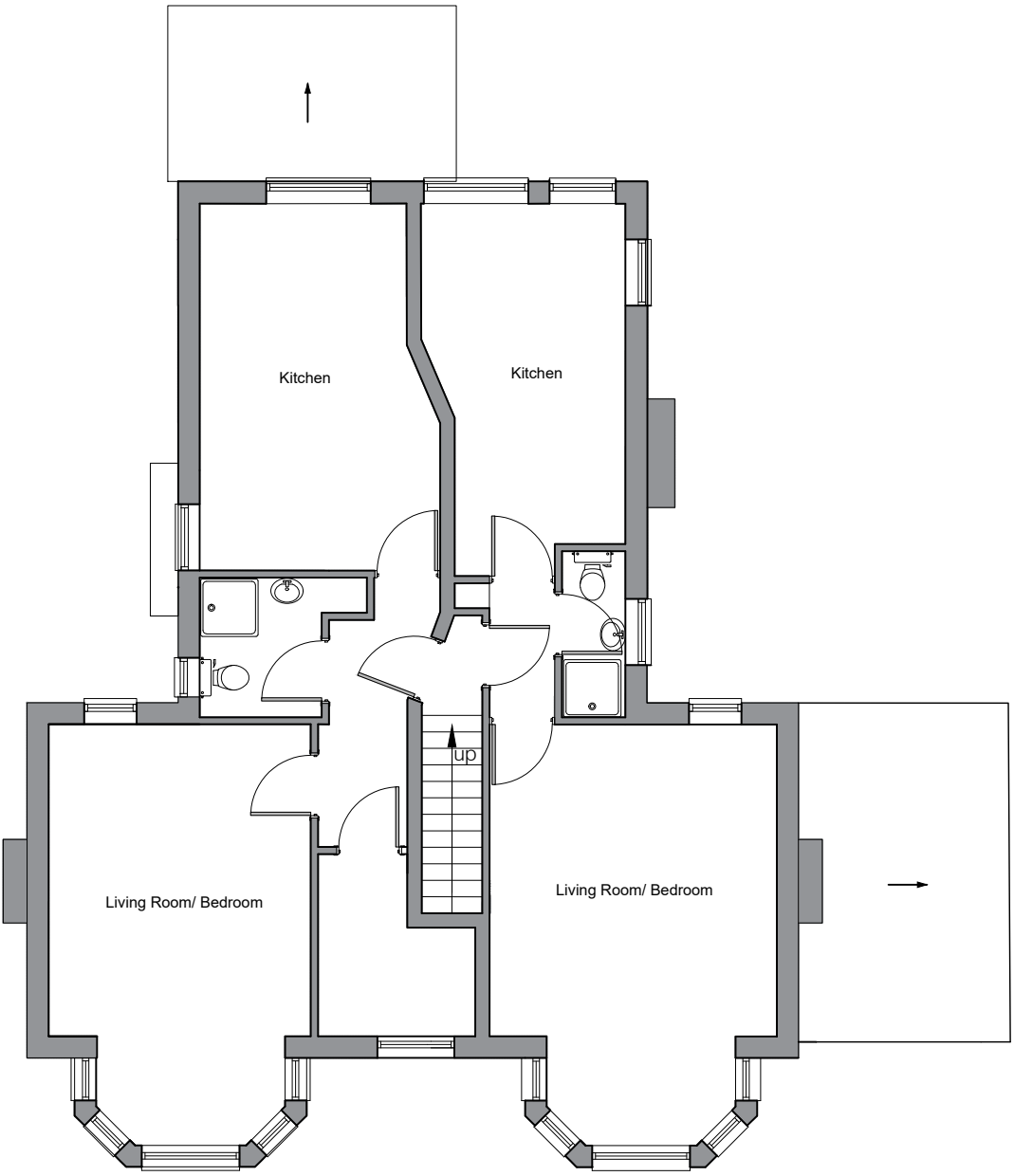
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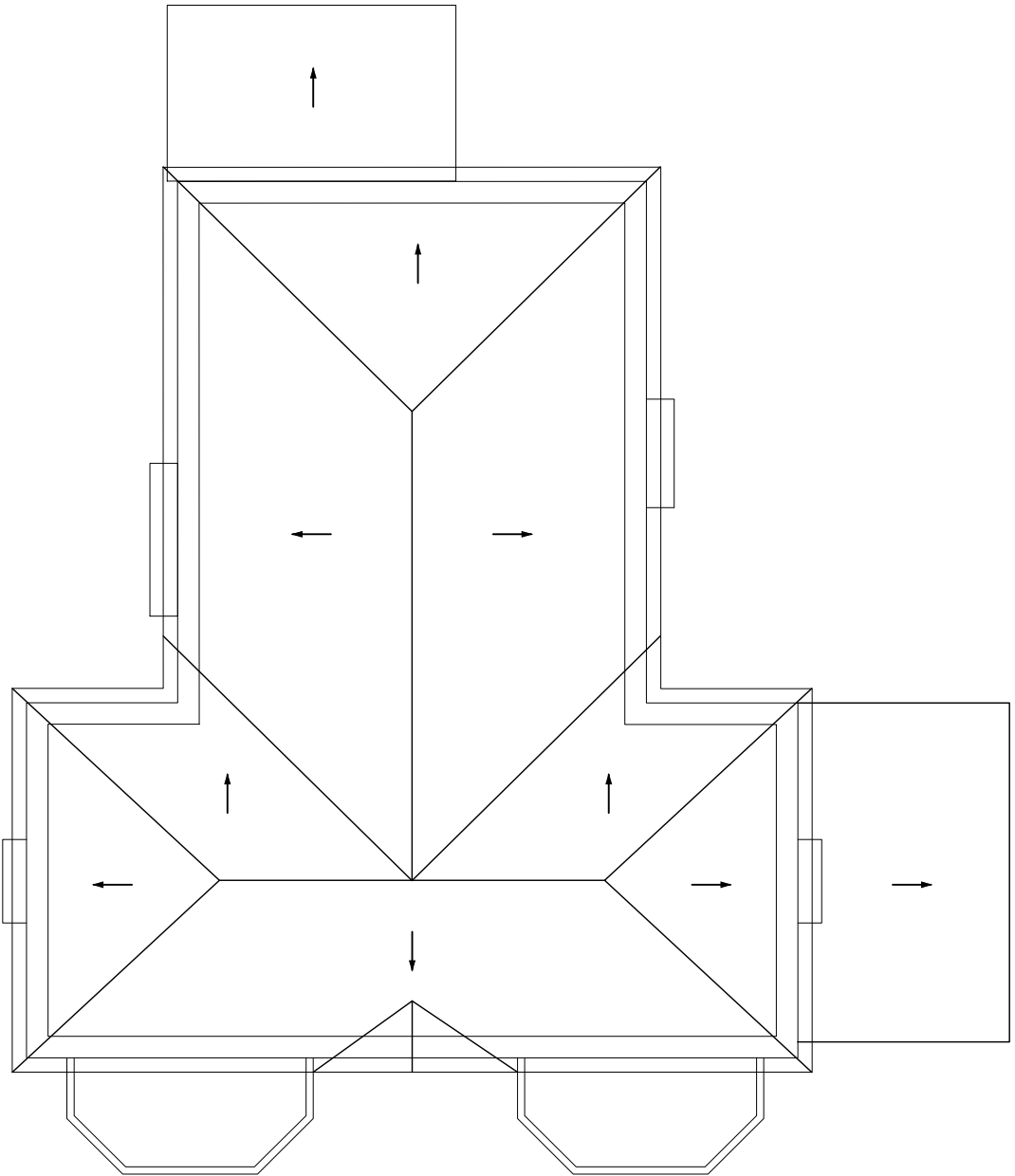
All dimensions are in millimetres unless noted otherwise.



Existing Ground Floor Plan



Existing First Floor Plan



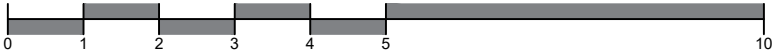
Existing Roof Plan

REV	DATE	DESCRIPTION	INITIAL	CHECKED
PLANNING				



harding rose architects

CLIENT	Chesters Place Limited		
PROJECT	Oxford Road, Reading		
TITLE	Existing Plans		
SCALE	1:100@A2	DATE	14.01.25
DRAWN	KN	PROJECT NO.	24.1168
		E.01	A



Appendix 2

Photographs



Front of Building



Rear of Block



Garden



Garden

Appendix 3

Marketing Details



OXFORD ROAD

RG31 6TL

£700,000

FREEHOLD

**PRO
SPE
CT**

PROSPECT.CO.UK

 4  4  4

 4 **EPC D**

Council Tax Band A


Scan
for full
details





Score	Energy rating	Current	Potential
92+	A		
81-91	B		
69-80	C		
55-68	D	55 D	60 D
39-54	E		
21-38	F		
1-20	G		

Appendix 4

Plan of the Proposed Scheme

ADJOINING PROPERTIES

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LEGEND

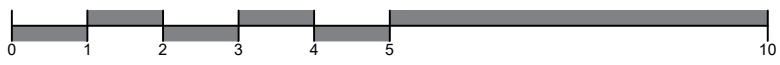
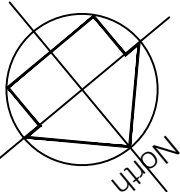
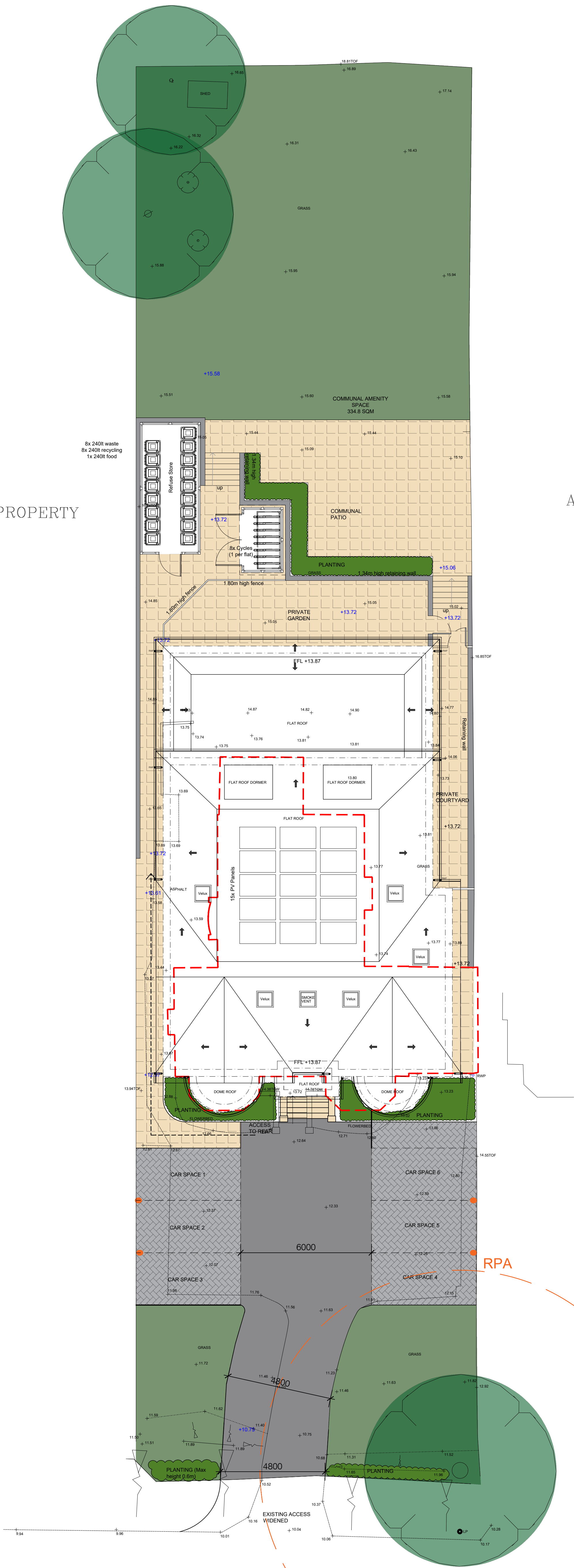
- +10.75 Existing levels
- +10.75 Proposed levels
- 4x Active EVCP- Pod
Point Twin Charger
Type 2 Socketed



T7- 7kW Speed (Single Phase)
T7-S-03-BK-RFID-6mA RFID
enable
Refer to Twin Charger Datasheet

ADJOINING PROPERTY

ADJOINING PROPERTY



REV	DATE	DESCRIPTION	INITIAL	CHECKED
PLANNING				



harding rose architects

CLIENT		Chesters Place Limited	
PROJECT		Oxford Road, Reading	
TITLE		Proposed Site Layout with Topo	
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DRAWN	KN		
		P.01	J

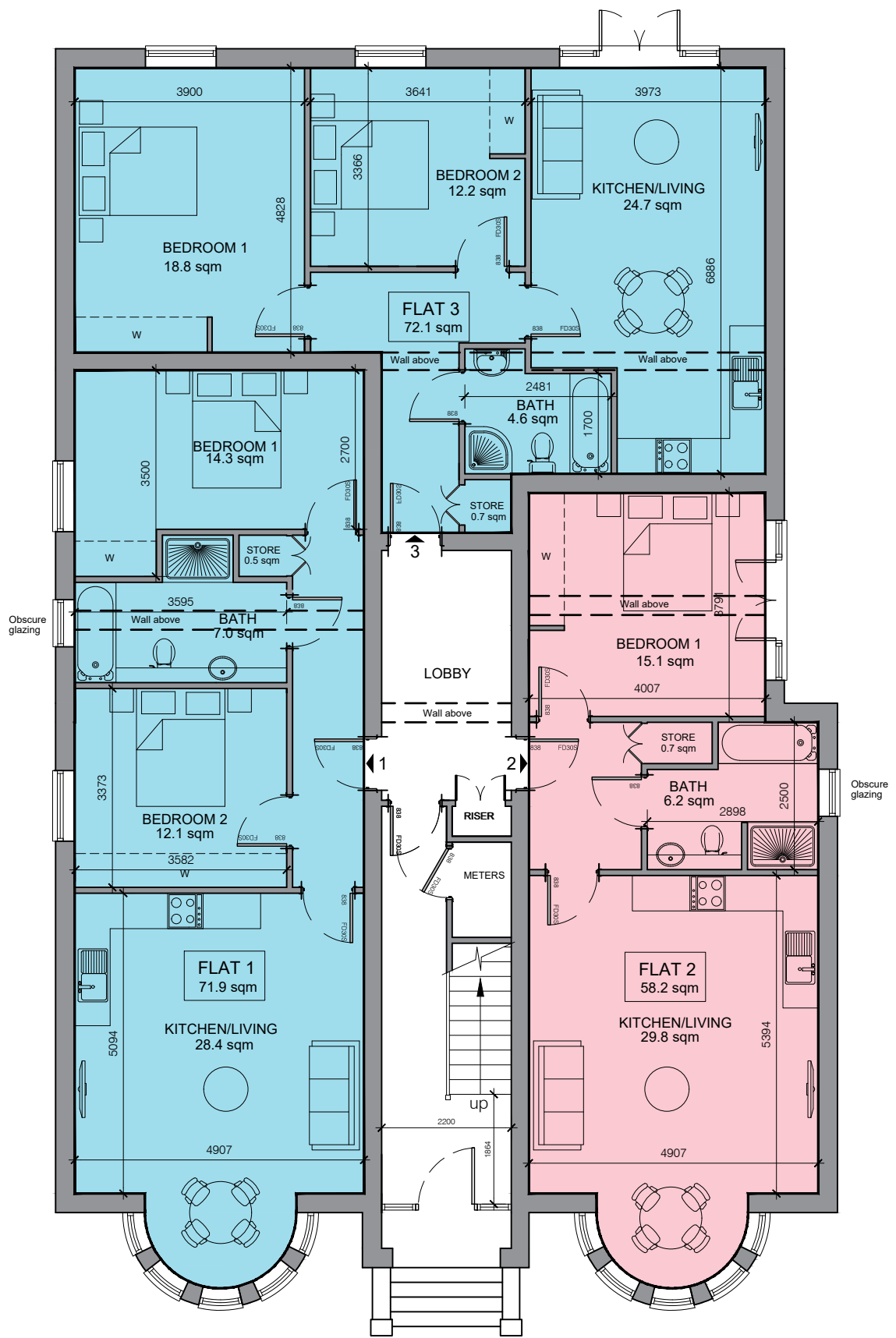
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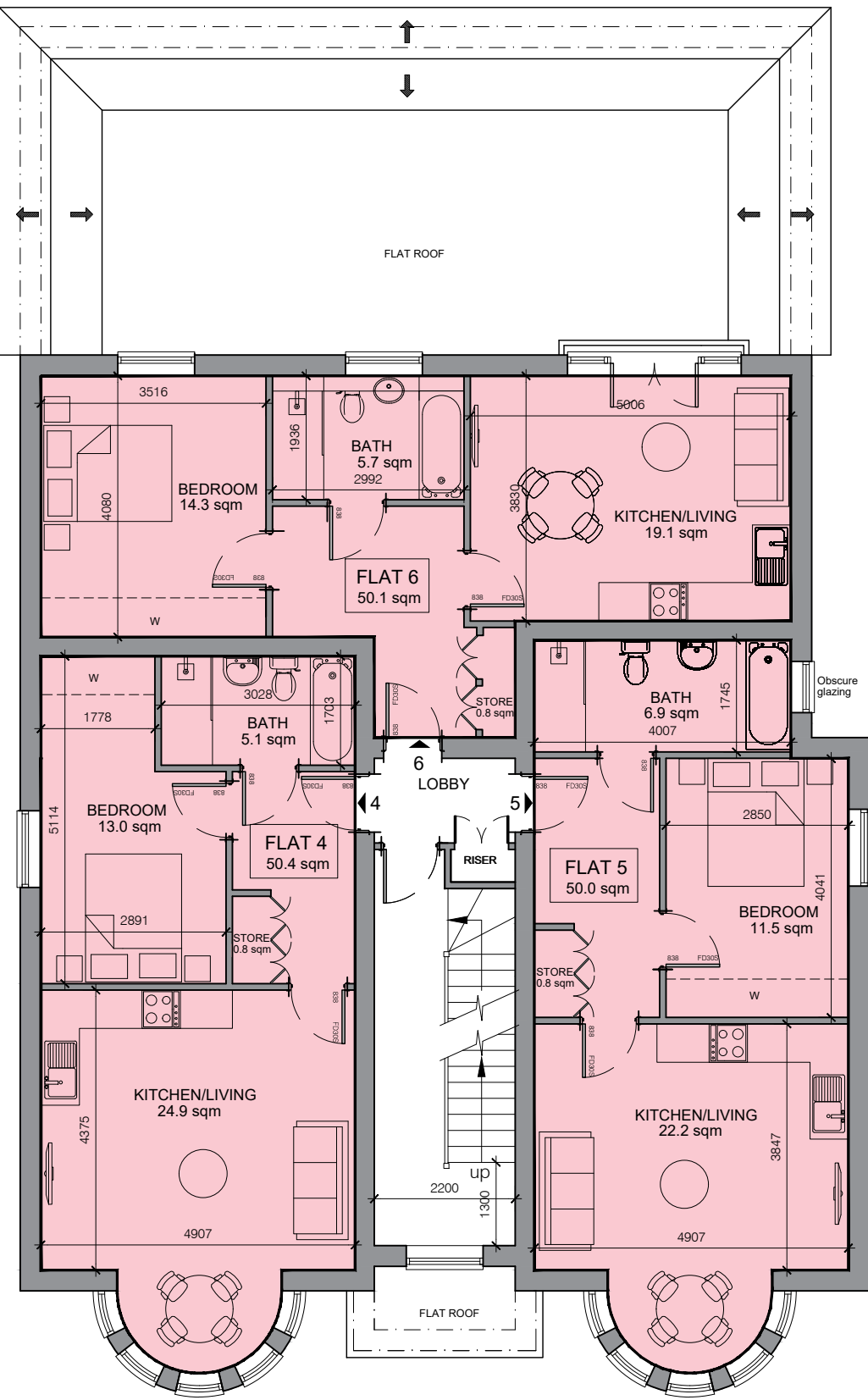
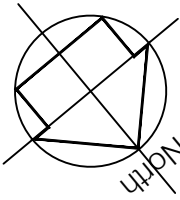
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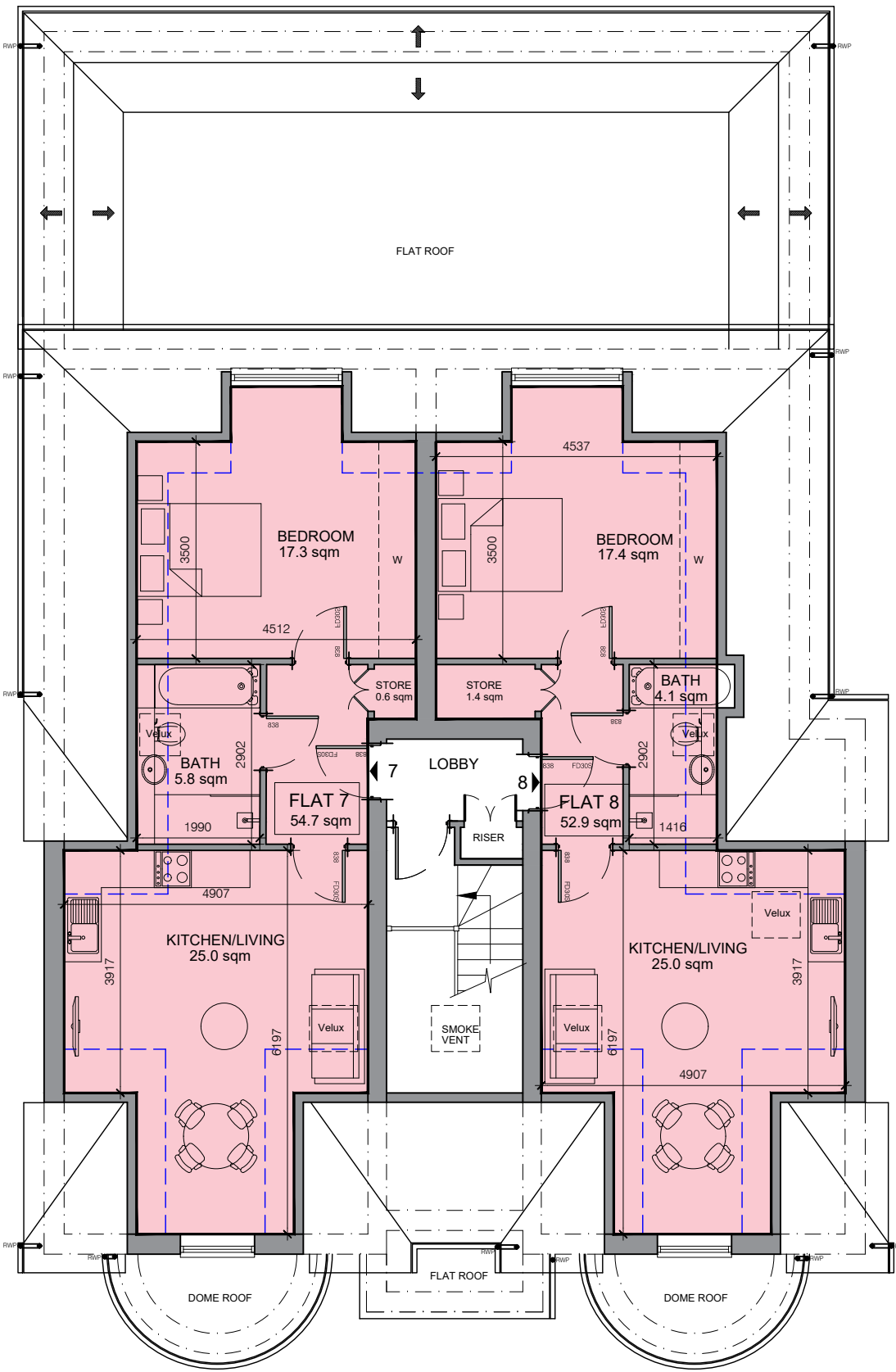
Ground Floor Plan
237.6 sqm

- One Bedroom Flat
- Two Bedroom Flat



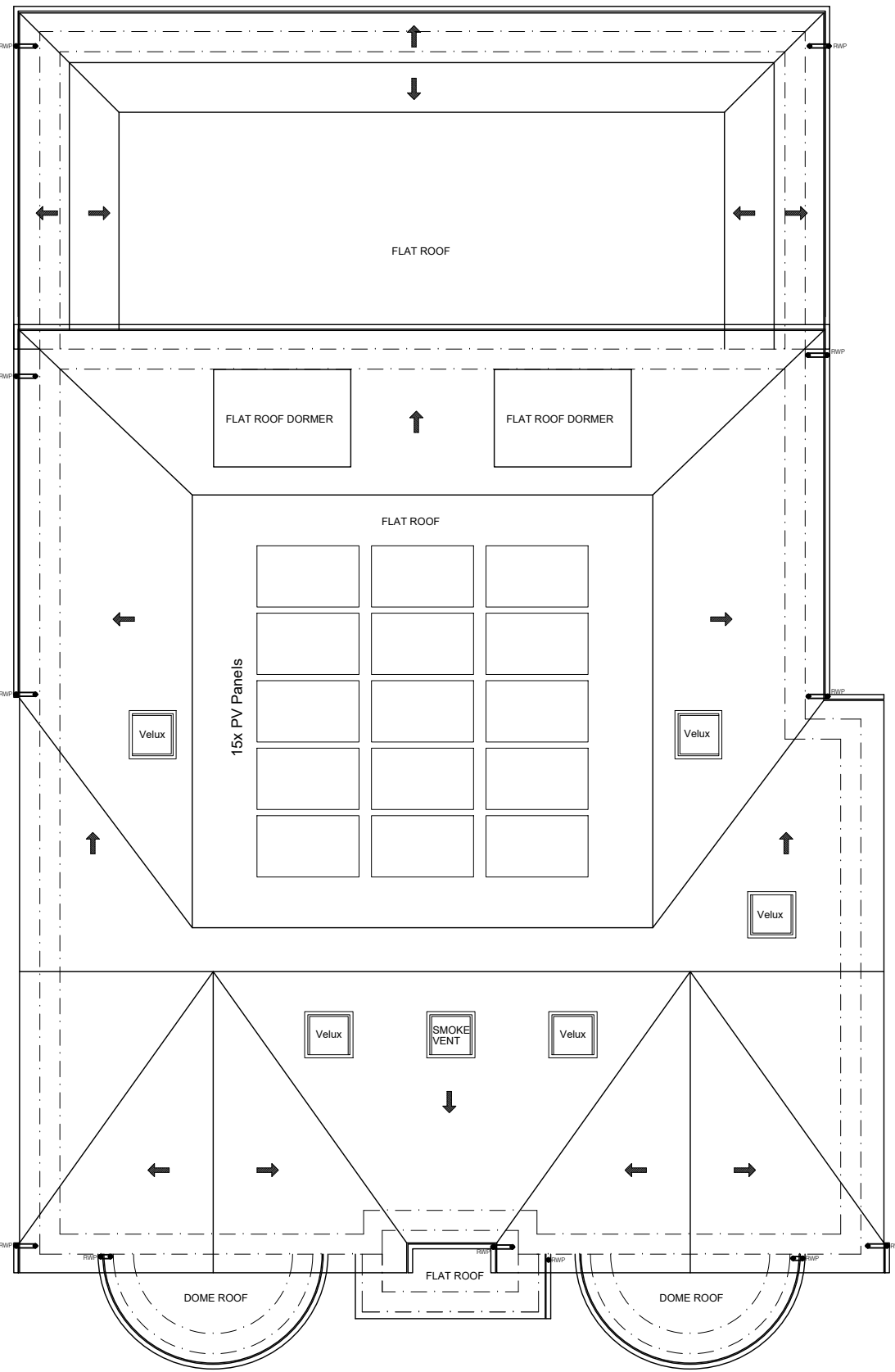
First Floor Plan
176.5 sqm

- One Bedroom Flat
- Two Bedroom Flat



Second Floor Plan
126.0 sqm

- One Bedroom Flat
- Two Bedroom Flat



Roof Plan
Total GIA: 540.1 sqm

REV	DATE	DESCRIPTION	INITIAL	CHECKED
PLANNING				



harding rose architects

CLIENT	Chesters Place Limited		
PROJECT	Oxford Road, Reading		
TITLE	Proposed Plans		
SCALE	1:100@A2	DATE	21.03.25
DRAWN	KN	PROJECT NO.	24.1168
		P.02	H

Appendix 5

Residual Appraisal and Sensitivity Analysis

Oxford Road Reading 8 Unit Scheme

Development Appraisal
Sturt and Company
22 April 2025

APPRAISAL SUMMARY**STURT AND COMPANY****Oxford Road Reading 8 Unit Scheme****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Flat 1 - 2 Bed Flats	1	774	271.32	210,000	210,000
Flat 2 - 1 Bed Flats	1	626	303.51	190,000	190,000
Flat 3 - 2 Bed Flat	1	776	283.51	220,000	220,000
Flat 4, 5 & 6 - 1 Bed Flats	3	1,620	333.33	180,000	540,000
Flats 7 & 8 - 1 Bed Flats	<u>2</u>	<u>1,158</u>	293.61	170,000	<u>340,000</u>
Totals	8	4,954			1,500,000

NET REALISATION**1,500,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)		(366,279)	
Town Planning		25,000	(366,279)
Cost of Acquisition	1.75%	6,410	
			31,410

CONSTRUCTION COSTS**Construction**

	ft²	Build Rate ft²	Cost	
GIA New Build	5,814	172.52	1,003,031	
Bike Shed	84	50.00	4,200	
Bin Store	<u>210</u>	<u>50.00</u>	<u>10,500</u>	
Totals	6,108 ft²		1,017,731	1,017,731

Contingency	5.00%	59,654	
Demolition		24,910	
CIL Cost		99,361	
CIL Credit		(35,718)	
BNG - Off Site Cost TBA		1	
			148,209

Other Construction

Cut and Muckaway TBA			1	
Extra Detailing			15,000	
Retaining walls 1.34m high			59	
Electric Chargers	4 un	1,000.00 /un	4,000	
Utility Connections	8 un	3,700.00 /un	29,600	
Externals		15.00%	150,455	
Attenuation PC Sum			10,000	
Solar Panels and Plant TBA			1	
Warranties/NHBC	8 un	1,250.00 /un	10,000	
				219,116

PROFESSIONAL FEES

Professional Fees	8.00%	97,448	
			97,448

DISPOSAL FEES

Sales Agent Fee		2.50%	18,500	
Sales Incentives	8 un	750.00 /un	6,000	
EPC and PAT Testing	8 un	150.00 /un	1,200	
Sales Void Cost	8 un	500.00 /un	4,000	
Legal Fee - Sales	8 un	1,250.00 /un	10,000	

APPRAISAL SUMMARY**STURT AND COMPANY****Oxford Road Reading 8 Unit Scheme**

Legal Fee - Management Company	2,000	41,700
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FINANCE

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)		
Land	(27,118)	
Construction	62,529	
Other	12,754	
Total Finance Cost		48,166

TOTAL COSTS	1,237,500
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PROFIT	262,500
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Performance Measures

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR% (without Interest)	66.28%
Profit Erosion (finance rate 8.500)	2 yrs 3 mths

Oxford Road Reading 8 Unit Scheme

Development Appraisal
Sturt and Company
22 April 2025

Oxford Road Reading 8 Unit Scheme
Table of Land Cost and Land Cost

Construction: Gross Unit Area ft²					
Sales: Sales / Unit	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
0.000%	£300,660	£333,411	£366,279	£399,146	£432,013
	£300,660	£333,411	£366,279	£399,146	£432,013
+2.500%	£271,853	£304,526	£337,270	£370,138	£403,005
	£271,853	£304,526	£337,270	£370,138	£403,005
+5.000%	£243,046	£275,719	£308,393	£341,129	£373,997
	£243,046	£275,719	£308,393	£341,129	£373,997
+7.500%	£214,249	£246,912	£279,586	£312,260	£344,988
	£214,249	£246,912	£279,586	£312,260	£344,988
+10.000%	£185,645	£218,106	£250,779	£283,452	£316,126
	£185,645	£218,106	£250,779	£283,452	£316,126

Sensitivity Analysis : Assumptions for Calculation
Construction: Gross Unit Area ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Area	No. of Steps
GIA New Build	1	5,814 ft²	2.00 Up & Down
Bike Shed	1	84 ft²	2.00 Up & Down
Bin Store	1	210 ft²	2.00 Up & Down

Sales: Sales / Unit

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
Flat 1 - 2 Bed Flats	1	£210,000	5 Up only
Flat 2 - 1 Bed Flats	1	£190,000	5 Up only
Flat 3 - 2 Bed Flat	1	£220,000	5 Up only
Flat 4, 5 & 6 - 1 Bed Flats	1	£180,000	5 Up only
Flats 7 & 8 - 1 Bed Flats	1	£170,000	5 Up only