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Residential Development Planning Viability Appraisal for the area incorporating Meadow Road/Milford Road, Reading, RG1 8LB

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Document Purpose

To provide a viability assessment for residential development on the site incorporating the corner of Meadow Road and Milford Road's on the north western edge of Reading Town Centre. This document will provide an overview of the residential property market in the area directly around the site as well as the greater Reading area and provide sales values for a selection of property types which have been developed and sold between 2022 and 2025.

Site and Location

The existing site is a 4-acre freehold on the corners of Milford Rd and Meadow Road's. The site is currently 100% let as industrial use units. The southern and eastern portions of the site are dilapidated.

The site, whilst RG1 is outside of the IDR (inner Distribution Road) which is deemed to be 'prime' Town Centre and Reading's central shopping and entertainment districts and the train station. To the North and West of the site is predominantly light industrial and commercial property flanked by Richfield Avenue which is home to Rivermead Leisure Centre, River Academy School, the Premier Inn and further commercial units. To the south of the site there is a residential development which was a former printers (Cox and Wyman) and to the east of there are several roads of tightly packed Victorian Terrace homes, with some infill development and a few smaller apartment conversions/developments.

Residential Property Market Overview in Reading: RG1 and Further Afield

Reading's housing stock is made up of tightly packed Victorian terrace homes predominantly set within a 2-3 mile radius of the town centre into areas such as East Reading, the University Area, Lower Caversham (RG4) and West Reading (RG30), with 1920's and 1930's semi-detached homes prominent in the 'better' streets in these areas. Apartment living became popular through the late 1990's and 2000's when thousands of apartments being built and commercial developments being converted across the town with 80-90% of this development happening in RG1. This development of apartments has continued. Larger family homes can be found in the suburbs such as Woodley, Earley, Caversham Height, Caversham Park, Shinfield, Three Mile Cross and Spencers Wood. Many of the suburbs are popular with families upsizing locally and moving from London.

At the time of writing this report prices locally are seeing a downturn with a 4.3% decline in prices (these figures are taken from the Rightmove Housing Market Index which uses property asking prices. Rightmove has the largest number of listings across the UK hence the greatest access to asking price data in the country) since the changes in stamp duty at the end of March 2025. Prior to this the market saw significant growth in prices post Covid through 2021 and 2022 with growth in the region of 6% to 8% before interest rates started to rise steeply between September 2022 and August 2023 at which point the Bank of England base rate peaked at 5.25% and stayed at this level until August 2024. The market regained some momentum but with the cost of borrowing the level if demand never recovered to the levels of 2021.

Housing Trends and Demand

Following Covid many employers have moved to hybrid working patterns or have staff working from home full-time which has seen demand for town centre homes and particularly apartments diminish. The suburbs and large scale developments such as Shinfield Meadows have become ever more popular particularly with families and people moving out of London. The apartment market has also seen a downturn with 'home workers' wishing for gardens, 3rd/4th bedrooms to use as offices and outside spaces. Access to Train Stations, offices and the town centre is less of a need or desired requirement than it was pre-covid. Suburbs surrounding the town but outside of the town centre, offering open spaces, good schools, local centres such as Woodley Precinct, Tilehurst Triangle and Caversham Centre and access to road networks have shown positive growth and demand, far exceeding that seen in RG1.

The rise in interest rates, increased compliance, the Section 24 restriction on tax relief on buy-to-let mortgages 'biting' and fear of the soon to be enacted renters reform bill has seen a rise in private landlords leaving the industry. Much of the rental stock in Reading being centred around RG1 is seeing supply of former private rental homes hitting the market and feeding supply and with fewer prospective buyers wanting to or needing to be in the town centre is seeing further downward pressure on prices in RG1. Prices across Reading have to a great degree 'normalised' across suburbs, with fewer 'prime' suburbs seeing significantly higher property prices than areas which were historically seen as 'low-cost' areas. There are still a few exceptions to this rule with suburbs such as Sonning, Pangbourne, Caversham Heights and some part of Earley being deemed more 'exclusive' and therefore more expensive but as a whole the town is seeing prices between suburbs being largely similar. This has been particularly prominent in new homes, with the price of a new home in Tilehurst (which was historically a more affordable suburb) being similar to homes in Caversham (which was historically deemed more exclusive and therefore expensive) being very similar.

Comparable New Home Sales

We have done an analysis of new homes sales in a selection of development in various areas in Reading, including very close by the Meadow Road/Milford Road site being looked at to establish a trend in property values and try to establish an average price per square foot when assessing the site for residential development. We have looked at new home sales over the past three years and at various property types from smaller one bedroom apartments to larger four bedroom family homes.

Our analysis has shown that the average cost of new homes in Reading between August 2022 to today (in which period average property values have stayed fairly similar across the whole period) on a pound per square foot basis ranges from £444 to £554 and there is not a huge variance between houses and apartments. Interestingly the homes closes to the site being appraised are at the lower end of the of this study. For example, Flat 1, 1 Cox Terrace which is a 2 bed, 2 bathroom apartment coming in at £468 per sq. ft. and 7 Wyman Terrace, which is a 3 bed, 2 bathroom town house coming in at £444 per sq. ft. These properties form part of the Printworks Development by Bellway Homes which is immediately adjacent to the south of the site. Whilst these homes were sold in 2022 and 2023, this trend is backed up by Carters Court which is a development currently under construction with the evidenced value being from a home sold off plan which is a two bed, 2 bathroom apartment with the price per sq. ft. being £471.

The table in Appendix 1 at the end of this report outlines the 12 properties which have been used to evidence comparable residential property values. This report is based on our professional opinion using 'real' property value data.



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Appendix 1 – Comparable New Home Property Sales in Reading between August 2022 and July 2025

Address	Property Type	Sold date	Sq Mt	Sq Ft	Sale Price	£/Sq Ft
Flat 4, 1a North Street, Caversham, Reading, RG4 8JA	1 Bed, 1 bath apartment	Oct-24	42	454	£245,000	£540
Plot 15 Stoneham Park, Tilehurst, RG31 5BP	1 Bed, 1 bath apartment	Sep-24	54	576	£275,000	£478
Flat 1, 1 Cox Terrace, Reading, RG1 8FY	2 Bed, 2 bath apartment	Aug-22	72	775	£362,500	£468
Carters Court, 97a-117 Caversham Rd, RG1 8AR	2 Bed, 2 bath apartment	Jul-25	73	783	£369,000	£471
Flat 4, 3 Prospect Street, Caversham, RG4 8JB	2 Bed, 1 Bath, Bungalow	Jan-25	55	590	£285,000	£483
2 The Gardeners, Surley Row, Emmer Green, RG4 8NA	2 Bed, 1 Bath Semi-detached house	Nov-23	75	812	£450,000	£554
7 Wyman Terrace, Reading, RG1 8GD	3 Bed, 2 bath terrace house	Sep-23	113	1216	£540,000	£444
Flat 2, 1a North Street, Caversham, Reading, RG4 8JA	3 Bed, 2 Bath Apartment	May-25	79	852	£411,000	£482
2a Howard Street, Reading, RG1 7XS	3 Bed, 2 bath detached house	Apr-25	101	1089	£510,000	£468
Plot 40 Stoneham Park, Tilehurst, RG31 5BP	3 Bed, 2 bath semi-detached	May-23	90	969	£475,000	£490
Plot 45 Stoneham Park, Tilehurst, RG31 5BP	4 Bed, 3 bath, detached	Feb-23	191	2051	£925,000	£451
7 The Gardeners, Surley Row, Emmer Green, RG4 8NA	4 Bed, 2 Bath, Detached	Jul-24	140	1506	£785,000	£521
Totals/Average £ Per Sq. Ft.				11673	£5,632,500	£483