

Marketing Report – Royal Albion Hotel PH, 642 Oxford Road, Reading, RG30 1EH

Introduction

The purpose of this report is to provide additional information in order to support the proposals set out by planning application ref: PL/24/1521 which proposes the change of use of the ground and first floor from public house (sui generis) to commercial (Class E(a) or (b)) with associated internal alterations.

The topics discussed in this report respond to the relevant comments and queries made by RBC planning officers. These are outlined below:

- Planning Policy Considerations
- Over-saturated market
- Demographic and Sociological Transition
- Evolving Social Preferences
- Disposable Income & Social Patterns
- Increasing Running Costs of Public Houses
- Previous Marketing

Site & Surroundings

The Royal Albion is a 0.15 ha site comprising a two-storey detached property of brick construction with part rendered and painted elevations beneath a pitched roof with valley. There are single storey extensions to the side and rear.

The existing premises comprises a public house at ground floor with associated accommodation above (Class Sui Generis). The ground floor public house trading area is traditionally laid out throughout and comprises an open plan bar and restaurant area for c.53 covers with an additional 8 covers at the main bar. Ancillary uses include toilets, a catering kitchen and a basement which includes cooled beer cellarage. Existing residential accommodation is situated on the first floor and comprises 3 / 4 double bedrooms, kitchen, utility room and a family bathroom. The site also has a large outdoor beer garden and a car park with 26 no. car parking spaces (including two blue badge spaces).

The site is located approximately 1.3 miles from Reading Town Centre on the main A329, near to the junction of Alma Road. To the west are buildings in commercial uses, a block of flats to the west and a hotel beyond this. To the north there are houses and a 'Core Employment Zone'.

The site is 1.2km to the west of Reading West Railway Station (17 minute walk / 5 minute cycle / 4 minute drive) and 2km to the south-east of Tilehurst Railway Station (29 minute walk / 7 minute cycle / 4 minute drive). There are also numerous bus stops located along Oxford Road which are serviced by multiple different routes.

Proposal

The proposals are for the change of use of the public house (Class Sui Generis) to commercial, with the ground floor functioning as E3(b) and the first floor to be ancillary accommodation (staff room, kitchenette, wash facilities, storage etc).

Planning Policy Considerations

Reading Borough Local Plan (2019) Policy RL6 (Protection of Leisure Facilities and Public Houses) states:

“Existing leisure facilities or public houses will generally be retained, and there is a strong presumption in favour of retaining leisure facilities or public houses where they are the only facility of their type in a district, major local or local centre. Developments that would result in the loss of a leisure facility or a public house will not be permitted unless it can be clearly demonstrated that:

- a. There is no need for this type of facility in this area; or*
- b. The function of the facility can be adequately fulfilled by an existing facility, or a facility proposed as part of the development, where that facility would be at least as accessible to the same catchment; or*
- c. Unless the site is a sports or recreation facility, the impacts on amenity of residents or on crime and security of retaining the facility could not be dealt with through other measures, and would be so severe as to outweigh the benefits to the wider community of retaining the facility.”*

To address points of Policy RL6, Table 1 sets out that the site is located within an area that has a significant number of public houses and other community facilities.

Establishment Name	Walking Distance from Site
The Pond House	170 metres (3 minute walk)
The White Eagle	670 metres (10 minute walk)
Double-Barrelled Brewery	800 metres (11 minute walk)
The Spread Eagle	800 metres (11 minute walk)
The Wishing Well	960 metres (13 minute walk)
The Mansion House Harvester	1.6km (20 minute walk)
Rose & Thistle	1.6km (21 minute walk)
The Nag's Head	1.7 km (25 minute walk)

Table 1 – Public Houses within close proximity to The Royal Albion Public House & Hotel

The Royal Albion Pub used to have pool evenings, darts and karaoke, of which could be considered ‘community events’. The other public houses within the surrounding context offer similar uses. For

example, The Pond House shows live sports, has regular live music events, offers games such as darts and bar billiards and also has a large beer garden. The majority of the pubs listed in Table 1 offer food, have outdoor seating and show live sports. The Wishing Well and the Rose & Thistle also have live music and host community events such as pub quizzes. This demonstrates that the previous function of The Royal Albion can be adequately fulfilled by other existing facilities within close proximity.

Long-Term Issues & Trends

Demographic and Sociological Transition

Reading has undergone significant demographic transformation in recent decades, emerging as one of the most ethnically diverse towns in the South East. According to the 2021 Census, over 35% of residents identify as Black, Asian or Minority Ethnic (BAME), nearly double the national average. The largest groups include South Asian (14%), Black African/Caribbean (8%), and mixed ethnic background (6%). This shift has brought with it evolving cultural norms, particularly in relation to social spaces and alcohol consumption. A substantial proportion of Reading's population – 12% - identify as Muslim, a community for whom religious and cultural practices often discourage alcohol use and public house attendance. As a result, traditional pubs like The Royal Albion are increasingly misaligned with the social preferences of the local population. In contrast, food-led, alcohol-free environments such as cafes and quick-service outlets better reflect the inclusive, family-orientated and culturally appropriate spaces sought by the town's diverse communities. The proposed change of use therefore aligns with broader sociological trends and supports a more accessible and relevant high street offering.

Evolving Social Preferences

National and local trends indicate a marked decline in alcohol consumption among young adults, reshaping the social landscape in towns like Reading. According to the ONS (2023), 36% of 16 – 24 years olds were teetotal in 2022 – up from 24% in 2005 – while average alcohol intake among young drinkers has halved since 2004 according to Public Health England (2023). This generational shift is reflected locally at the University of Reading, where the Students' Union has increasingly prioritised alcohol-free events such as wellbeing classes, craft workshops, and café-style socials. These changes signal a broader cultural move away from traditional pub environments, which are often perceived as incompatible with the values of affordability, wellness and inclusivity that defined modern youth culture. In contrast, quick-service food outlets offer a more accessible and socially relevant alternatives, better aligned with the preferences of today's younger demographic. The proposed change of use therefore responds directly to these evolving lifestyle patterns.

Disposable Income & Social Patterns

The demographic and economic profile of the area surrounding The Royal Albion reflects a broader shift in urban living patterns, particularly among under-25s. In Reading, this age group is heavily

concentrated in private rental accommodation—especially HMOs and single-occupancy student studios along Oxford Road—mirroring national trends where 42% of private renters are under 35 (English Housing Survey, 2023). These younger residents face acute financial pressures, with average weekly disposable income at just £277, significantly below the national average (ONS Family Spending, 2024). With rent consuming up to 50% of their income, discretionary spending on traditional hospitality venues like pubs is increasingly unaffordable. Instead, this demographic favours quick-service food outlets that offer convenience, affordability, and social flexibility.

Compounding this shift is the intense competition from nearby supermarkets and off-licenses—such as Tesco Express and Lidl—located within a 0.5-mile radius of the site. These retailers offer alcohol at prices 50–70% lower per unit than pubs, making at-home consumption far more economical (Alcohol Change UK, 2024). In the context of a prolonged cost-of-living crisis, with food inflation peaking at 19.1% in 2023 (Bank of England, 2024), residents are prioritising essential and value-driven spending. The combined effect of constrained youth incomes, changing social habits, and supermarket price competition has significantly eroded the commercial viability of traditional pubs. The change of use of the site would not only reflect these evolving consumer behaviours but would also provide a more accessible and sustainable amenity for the local community.

Increasing Running Costs of Public Houses

The financial sustainability of traditional public houses has been severely undermined by escalating operational costs and the withdrawal of government support. According to the British Beer and Pub Association (2024), average pub energy bills have surged by 87%, placing immense pressure on already tight margins. This is compounded by rising labour costs, with the National Living Wage increasing to £11.44 per hour in April 2024, which significantly impacts staffing budgets in a labour-intensive sector. Further financial strain looms with scheduled end of the 75% business rates relief for hospitality in April 2025, which exposes pubs to full business rate liabilities at a time when revenues are already in decline (HM Treasury, 2024). These cost pressures make the continued operation of The Royal Albion as a public house increasingly unviable.

Instruction

Savills was instructed by Greene King Brewing & Retailing Limited to undertake a marketing appraisal 24th January 2023 followed by instructions in July 2023 to openly market the freehold of the Royal Abion at a guide price of £650,000 + VAT. Savills undertook an inspection on 25th July 2023 and drafted marketing particulars which were later approved.

Marketing Campaign

The property was launched to the open market on 23rd July 2023 and sold 8th May 2024 with the property being advertised on the Savills website as well as other online property portals including EG Property Link, EACH and Rightmove Commercial using the brochure at Appendix 1. In addition, a targeted email campaign was issued to 910 registered Savills database applicants (which includes

licensed operators, investors and developers) with requirements for freehold property within a 30 mile radius of Reading.

Interest received

The targeted email campaign sent to 910 Savills registered applicants was opened 473 times reflecting a 52% open rate. Of those who opened it, all 473 clicked through to view the marketing particulars, resulting in a 100% click-through rate among openers but only a 27% click-through rate overall.

Rightmove Commercial generated a total of 85,389 summary views and a further 3,518 brochure downloads. These figures indicated solid market interest and suggested a strong initial market for this property. Savills also undertook 2 open viewings during this marketing campaign with over 13 separate parties attending. Savills were instructed to invite informal best and final bids by 21st August 2023 and received 7 conditional and unconditional offers as outlined in the table below. However, none of the offers proposed to retain this asset as a public house.

The Royal Albion has also suffered from negative press due to a drug raid in May 20022 and a car accident.

The pub has ultimately had a long history of failure and was put on the market (represented by Savills) in July 2023. There was very limited interest in taking it on as a pub and it was eventually bought by the applicant in May 2024. There is clearly not enough demand in the catchment area to sustain this pub along with its poor reputation, numerous competitors and local demographic and cultural shifts.

Offer Analysis	
Date	Commentary
21/08/2023	Party 1 – Local developer albeit did not provide intended use other than their offer. This offer was rejected being below the guide price. Thanks for sending me email I can offer you 600000 cash If yes please contact back to me Thanks Sent from my iPhone
21/08/2023	Party 2 (purchaser) – Investor / developer who we understand operates letting and management of their own leased estate development. Their intention was to convert the existing building into residential and made an unconditional offer of £770,000 plus VAT. Offer timescales, solicitor's details and proof of funds were provided. This offer was made following receipt of the marketing details, architects and contractors visiting the property. Due to the high level of interest received this party subsequently increased their bid at best and final to £790,000 + VAT. This offer was accepted and subsequently Heads of terms were agreed and issued to solicitors 21/03/2024.

	William Following to our conversation, I can confirm increasing our offer to £790,000 subject to contract. This is our best and final offer. Sent from my iPhone									
21/08/2023	Party 3 – Local housebuilder in Reading and owned the nearby adjacent properties. Wanted to purchase for the redevelopment of the existing building. Their best and final offer was £725,000 + VAT on an unconditional basis. Hi William. Thank you for your time earlier. I wouldn't be interested in going to best and finals, I simply don't like the process. So, I'm happy to put forward £725,000 plus Vat with a 4-week completion to take it off the market now. As you're aware I developed the site next door and I'm a serious buyer. If you can put this to the venders and if it's of interest, I will provide you with evidence of funds.									
21/08/2023	Party 4 – Reading based property developer/investor specialising in building residential homes. An unconditional offer was submitted at £676,000 + VAT. This was rejected. To that end I can confirm Joanne Selwyn is a property investor who has been fully assessed in connection with this purchase. We can confirm that bridging funding of £676,000 can be obtained and given that there is no related property sale, our client is a robust purchaser and able to proceed promptly.									
21/08/2023	Party 5 – This party submitted both unconditional and conditional freehold bids on best and final. • Unconditional: £450,000 + VAT • Conditional: £650,000 + VAT subject to planning for change of use to top floor HMO and residential apartments. These offers were rejected and no proof of funding was provided. <table><tr><td></td><td>Option 1 - Unconditional</td><td>Option 2 - Conditional</td></tr><tr><td>Price</td><td>£450,000+VAT</td><td>£650,000+VAT</td></tr><tr><td>Conditions</td><td> • Unconditional • Vacant Possession </td><td> • Conditional upon planning permission being granted. • We are happy for the pub to continue running on the ground and basement floors </td></tr></table>		Option 1 - Unconditional	Option 2 - Conditional	Price	£450,000+VAT	£650,000+VAT	Conditions	• Unconditional • Vacant Possession	• Conditional upon planning permission being granted. • We are happy for the pub to continue running on the ground and basement floors
	Option 1 - Unconditional	Option 2 - Conditional								
Price	£450,000+VAT	£650,000+VAT								
Conditions	• Unconditional • Vacant Possession	• Conditional upon planning permission being granted. • We are happy for the pub to continue running on the ground and basement floors								
21/08/2023	Party 6 – This party submitted two conditional freehold bids. This party is a well-established national developer/investor. • £715,000 + VAT subject to a pre application for the redevelopment of the whole site • £805,000 + VAT subject to planning for 20 unit supported living scheme The details of the offer are as below: 2. Tenure The acquisition is for the freehold of the site known as Royal Albion, 642 Oxford Road, Reading, RG30 1EH 3. Purchase Price Option 1 - £715,000 (seven hundred and fifteen thousand pounds). Option 2 - £805,000 (eight hundred and five thousand pounds).									

21/08/2023	Party 7 – This party made an unconditional bid and their proposed use was to change the property into a community centre. Their best and final offer was £787,000 + VAT. This party provided a copy of their proof of funding. Good morning Will, As per your direction on Tuesday, our BEST & FINAL offer for the property (Royal Albion, Reading) is £787,000 + VAT (Cash). All other details remains extant as stated on your original offer.
------------	---

Market Conditions

The public house market remains very active with both licensed operators, developers, and investors continuing to invest in the sector. However, interest from licensed operators has been focused on the best quality assets.

Despite the property's central location within Oxford Road and its proximity to the Reading town centre, it is situated within an area with a high level of competition from public houses as highlighted earlier in this report.

The lack of interest from licensed operators may be a reflection of the condition, which would require significant investment to bring into a suitable trading standard. Its location is secondary, combined with a high level of public houses in the immediate area which further limits its appeal and trading potential. These physical and locational disadvantages, coupled with the ongoing running and maintenance obligations, are challenging given the high inflationary environment that licenced operators are currently experiencing.

Marketing Undertaken by the Applicant

The Applicant also carried out their own marketing through their existing portfolio of pub and restaurants in operation, and another local agent. Only one unviable offer of £25,000 per annum to take the pub on as an ongoing concern was received.

Conclusion

Based on the interest received during the extensive marketing campaign, we can confirm there is a clear market preference for redevelopment of the site with all enquiries and offers coming from developers, investors, charity and builders.

No interest was received from prospective pub operators. We believe reflects the property's poor condition, as well as secondary location in an area with an abundance of competing public houses. These factors, coupled with broader market conditions, have led licenced operators to conclude that the opportunity is commercially unviable and more suited to redevelopment for alternative use.

We are also of the view, having regard to the likely rental returns (noting this is dependent on securing a private pub operator), and having regard to the cost of reinstatement, the provision of a public house as part of the redevelopment would be unviable. As such, it is not an option that would be progressed by any rational developer on a speculative basis.

APPENDICES

APPENDIX ONE – SAVILLS MARKETING BROCHURE

ROYAL ALBION

642 OXFORD ROAD • READING • RG30 1EH

Prominent freehold available with vacant possession

savills

ROYAL ALBION

642 Oxford Road, Reading, RG30 1EH

• Guide price is £650,000 + VAT • Prominent roadside public house fronting A329 (Oxford Road) • For sale with vacant possession • Excellent transport links into London Paddington in under 37 minutes • Large car park for 26 vehicles • Benefits from a good-size trade garden • Alternate use potential subject to obtaining the necessary consents • Gross External Area of approximately 3,353 square feet and sits on a plot size of 0.37 acres



Location

Reading is a historic town located in Berkshire situated in Thames Valley approximately 40 miles west of London. The Royal Albion occupies a prominent roadside position fronting the A329 (Oxford Road) and is surrounded by a mixture of both residential dwellings and commercial amenities. Oxford Road has always been one of the main routes leading west from Reading's medieval town centre towards Pangbourne and Oxford. The area is well connected with Reading West Station located 0.8 miles distant providing direct links to London Paddington in 30 minutes.

Description

The Royal Albion is a two storey detached property of brick construction with part rendered and painted elevations beneath a pitched roof with valley. There is single storey extensions to the side and rear.

The ground floor trading area is styled traditionally throughout and comprises; open plan bar and restaurant area for c.53 covers with an additional 8 covers at the main bar.

Ancillary trade areas include customer W/C's including disabled, good sized catering kitchen and a basement which includes a cooled beer cellarage.

The private accommodation is situated on the first floor and comprises; 3 / 4 double bedrooms, office, kitchen, utility room and a family bathroom.

Externally there is a good sized beer garden to the side and rear of the property for circa 60 covers. The property benefits from a large car park for 26 vehicles including two disabled.

The property sits on a plot size of approximately 0.37 of an acre and Gross Internal Area of approximately 3,300 square feet.

Tenure

The property is held freehold (Title Number BK386893) and is to be sold with vacant possession.

Ratable Value

The property has a current rateable value of £27,900.

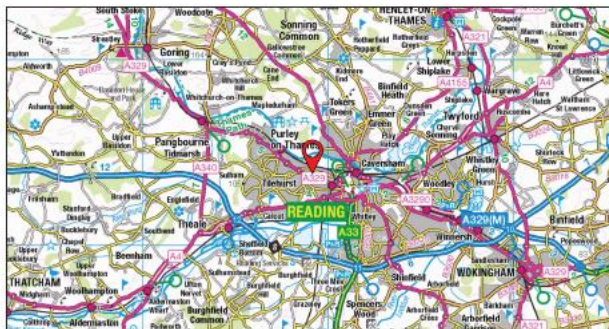
EPC

The property currently has an EPC rating of 86-D.

Planning

The property is not listed and is not situated within a Conservation Area.

All other queries relating to planning should be directed to the planning department of Reading Borough Council <https://www.reading.gov.uk/>



**IMPORTANT NOTICE**

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.

2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

Published for the purposes of identification only and although believed to be correct its accuracy is not guaranteed. Reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office © Crown copyright. Licence number 1000342444 Savills (UK) Limited, June 2023

Trading

The premises are open for trading.

Terms

Guide price: £650,000 + VAT.

Services

We are verbally advised that all mains services are connected to the property.

Fixtures and Fittings

No fixtures and fittings will be included in the sale unless agreed. Any third party items, such as gaming machines, dispenser equipment, sound systems etc, will also be excluded.

Premises Licence

The property has been granted a Premises Licence in accordance with the Licensing Act 2003. We understand that the premises is permitted to sell alcohol under the following hours:

- Monday to Thursday: 11:00 – 24:00
- Friday and Saturday: 11:00 – 00:30
- Sunday: 11:00 – 24:00

Viewings

The property is currently open and trading and all viewings must be arranged through the sole selling agents Savills.

VAT

VAT may be applicable on the sale of this property.

Money Laundering

Money Laundering Regulations require Savills to conduct checks upon all purchasers. Prospective purchasers will need to provide proof of identity and residence.

William Baker

+44 (0) 7415 716 580
william.baker@savills.com

Charlie Nood

+44 (0) 7760 599 698
charlie.nood@savills.com