

REPORT ON AFFORDABLE HOUSING & VIABILITY

Former Hemdean House School, Hemdean Road, Caversham,
RG4 7SD

APPLICATION BY:

CHURCHILL RETIREMENT LIVING LIMITED

planning*issues*
TOWN PLANNING AND ARCHITECTURE

CONTENTS

NON-TECHNICAL SUMMARY	1
INTRODUCTION AND STATEMENT OF IMPARTIALITY.....	4
DESCRIPTION OF APPLICATION SITE	6
NATIONAL PLANNING POLICY	7
DEVELOPMENT PLAN POLICY	11
VACANT BUILDING CREDIT AND VIABILITY ASSESSMENT.....	15
VIABILITY APPRAISAL OUTPUT AND CONCLUSIONS.....	24

APPENDICES

Appendix 1 – Accommodation Schedule

Appendix 2 – Sales Values Analysis

Appendix 3 – BCIS (September 2025)

Appendix 4 – Extra Over Build Costs

Appendix 5 – Sales Rate Analysis

Appendix 6 – Empty Property Costs

Appendix 7 – Argus Developer Appraisal 100% Open Market Scheme

Appendix 8 – Assessment of Benchmark Land Value

SITE: Former Hemdean School, Hemdean Road
Caversham, RG4 7SD

LOCAL PLANNING

AUTHORITY REFERENCE: TBC

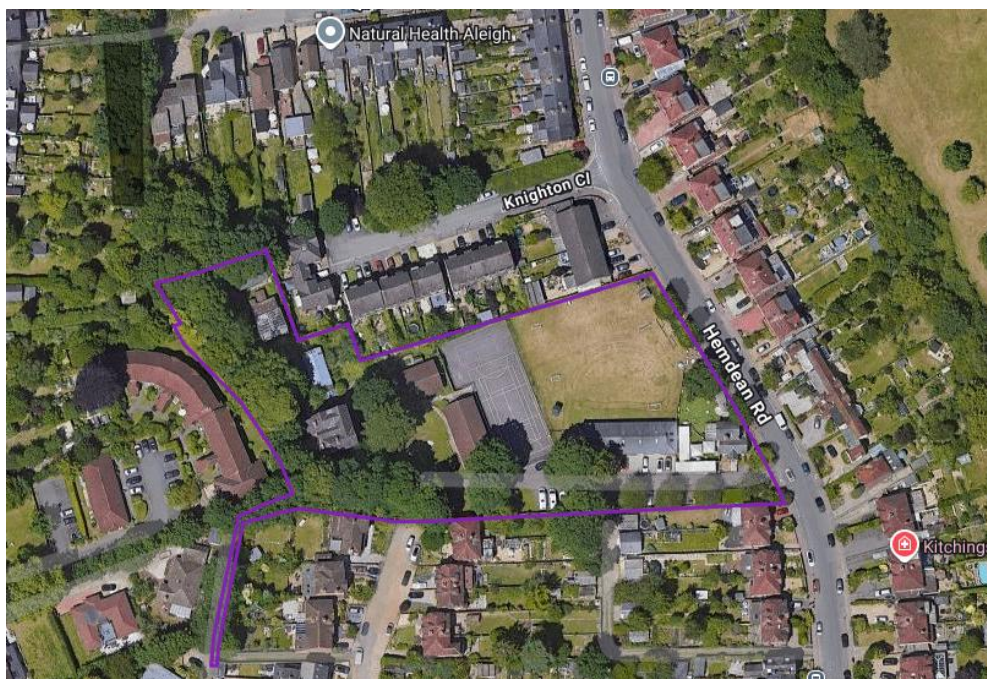
AUTHOR: Damien Lynch MRICS

REVIEWER: Matthew Shellum MRTPI

This report or its findings do not constitute a formal valuation under the RICS Valuation – Global Standards 2022. This report has been prepared for Churchill Retirement Living (“the client”) with advice provided expressly in preparation, or during the course of negotiations.

NON-TECHNICAL SUMMARY

- 1.1 This statement provides an assessment of the financial viability of the proposal to build 51 retirement living apartments together with 10 number open market apartments (conversion) and 1 open market dwelling (conversion of gate house lodge) together with communal facilities, access, car parking and landscaping.
- 1.2 The site is located to the north of Reading in Caversham and consists of the now vacant former Hemdean House School and nursery. The site extends to approximately 0.88 hectares but its developable area is constrained by topography, trees and existing buildings. At the time of writing, it is understood that all uses have ceased on the site.
- 1.3 There is no relevant planning history on the site, but it is subject to an educational/residential use allocation (Policy CA1) within the emerging local plan.



Site Location

- 1.4 Local policy (H3): Affordable Housing requires 30% affordable housing on all new developments of 10 or more. The policy states that for sites of 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate. The policy states that the onus will be on developer/landowner to clear demonstrate the circumstances justifying a lower affordable housing contribution.

- 1.5 A detailed assessment of the financial viability of this proposal is considered as part of this report in order to understand how affordable housing impacts on the economics of the proposal applying costs and values at the date of the assessment.
- 1.6 The proposal is for an integrated retirement living community with all residents availing of shared amenity and paying service charges at higher-than-average levels to obtain these communal benefits. Circa 25% of the total area of the apartment proposal is non saleable communal area. There are conversion elements which entail significant costs and these are factored into the viability analysis.
- 1.7 Policy requires that planning obligations are assessed against increases in land value associated with planning permission and intensification of land. It is therefore appropriate to calculate commuted sums against the impact on land value of policy requirements. This approach is consistent with the council's own evidence base and national policy.
- 1.8 The following table summarises the appraisal showing a 100% open market retirement proposal and considers financial viability by comparing the residual land value to the site benchmark land value (inclusive of owner incentive as set out at paragraph 6.37 onwards of this Statement).

	100% Open Market Scheme	
Open Market Sales	£25,320,000	£6,986 m2 (blended)
Base Construction Cost	£9,158,677	£2,387 m2 - £1,822 m2
Total Cost Outlay	£18,636,000	
CIL	£882,078	Scheme Specific
Profit	£5,064,004	20% on GDV
Residual Land Value	£2,954,072	
Benchmark Land Value	£2,600,000	AUV
Surplus/Deficit	£354,072	

Table 1 – Summary of Viability

- 1.9 It is concluded that financial headroom exists to allow an affordable housing contribution of £354,072. This outcome is consistent with the council's plan wide viability evidence base which concludes that retirement living accommodation is generally viable but is at the lower end of the viability range due to slower sales rates, higher build costs and more non saleable communal space provision.
- 1.10 It is considered that due to the nature of the proposal as well as the viability outcome, no registered provider interest is likely to materialise in taking on site affordable housing given the small number of units likely to be viable. A commuted sum will allow the local authority to invest in the provision of priority need affordable housing in partnership with registered providers or as part of the council's own acquisition and development programme.

- 1.11 A sensitivity analysis has been undertaken at Section 7 in order to assess likely future movements in costs and values over the lifetime of a planning consent. This has concluded that costs are likely to continue to match or outstrip growth in sales values over the lifetime of any planning consent and that this assessment has taken a balanced approach overall.

INTRODUCTION AND STATEMENT OF IMPARTIALITY

- 2.1 This Statement is prepared in relation to proposals to redevelop the site at land at the former Hemdean School in Caversham for retirement living accommodation and the conversion of existing buildings on the site for open market homes.
- 2.2 This statement considers how the proposal addresses national and local policy relating to affordable housing and viability matters. This is a specialist housing proposal for older people which national planning guidance recognises demonstrates different viability characteristics to standard housing typologies. Most notably, the proposal differs with the provision of higher percentages of non-saleable communal living floorspace which facilitate social interaction for residents. As an age restricted product, it typically takes much longer to sell these homes and, in the process, higher sales, marketing, empty property costs and borrowing costs will be incurred in comparison to non-retirement equivalents.
- 2.3 This statement has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) professional statement on Financial Viability in Planning: Conduct and Reporting (1st Edition, May 2019) as well as the Assessing Viability in Planning under the NPPF 2019 for England, RICS Professional Standard (1st Edition, March 2021). In line with the requirements, the author confirms the following is true.
- The author of this report has acted with objectivity, without interference and references all appropriate sources of information and possesses the expertise and experience to advise on these matters.
 - No performance-related or contingent fees have been agreed.
 - The information used is market led and not client driven in line with the NPPG standardised approach.
 - Planning Issues is the 'in house' planning consultancy for the applicant. In applying the standardised approach to viability, the author has assessed the viability in an impartial manner, assuming market led assumptions.
 - Inputs to the Financial Viability Appraisal (FVA) are reasonably justified and based upon industry benchmarks recently agreed with other local planning authorities for similar proposals and in a number of occasions at planning appeal. Inputs and assumptions are reflective of the market and appropriately evidenced.
 - The applicant will seek to engage with the local planning authority in order to reach agreement in respect of the report conclusions where differences of opinion may materialise.

- A non-technical summary of the outputs of the FVA is included to provide a high-level summary of the outputs of this assessment.

DESCRIPTION OF APPLICATION SITE

- 3.1 The 0.88 ha site currently comprises of the now vacant former Hemdean School, grounds and nursery school buildings.
- 3.2 The eastern side of the site comprises of playing fields and a hard play area, both of which are relatively flat. Beyond the hard play and towards the western side of the site, the site slopes up steeply towards and beyond the School House. The western site is heavily tree-lined. Both of these heavily restrict existing development and confine any potential new development to the flatter areas to the eastern side of the site
- 3.3 The former Lodge sits at the bottom (eastern) side of the site, is 1.5-storeys tall, and is locally listed. The School House sits at the top (western) side of the site, is 4-storeys tall, and is also locally listed.
- 3.4 There is no relevant planning history for the site. However, the site is allocated within the emerging Local Plan Update as Policy CA1 (Site for development in Caversham and Emmer Green) as site 'CA1h'. The policy states 'continued education and community use of the site, or, if no longer required for education, change of use and development for residential'.
- 3.5 The applicant has been advised that there was no interest in continued education use noted as part of the landowner led marketing of the site. The former education use within the main building ceased around 18 months ago and the nursery business is understood to have recently closed (December 2025).

NATIONAL PLANNING POLICY

Introduction

- 4.1 This section provides an overview of national policy and best practice as it relates to viability in planning.

National Planning Policy Framework (NPPF)

- 4.2 The Government published an amended version of the NPPF in December 2024. A further draft has been published for consultation from December 2025 – March 2026. At the time of writing this draft is subject to consultation feedback and this assessment therefore reflects the current NPPF.
- 4.3 Paragraph 63 of the 2024 version sets out that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes
- 4.4 Paragraphs 64 - 65 advise that where a need for affordable housing is identified, planning policies should specify the type required and expect it to be met onsite unless offsite provision or an appropriate financial contribution in lieu can be robustly justified and the agreed approach contributes to the creation of a mixed and balanced community.

National Planning Policy Guidance (NPPG)

- 4.5 The National Planning Policy Guidance (NPPG) relating to viability matters was comprehensively updated in July 2018 with further updates in September 2019 and most recently in December 2025.
- 4.6 The NPPG reiterates the NPPF position that proposed developments should not be subject to a scale of obligations and policy burdens that threaten development viability. It emphasises that the guidance of the NPPF applies to decision making on individual sites. It confirms that plans should set out required levels of contribution, including affordable housing, and advises that:

‘These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into

account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106.'

'Different requirements may be set for different types or location of site or types of development'.

(Paragraph: 001 Reference ID: 10-001-20180724)

- 4.7 It is increasingly common for Local Plan viability testing to examine the viability of housing for older people. In the case of Fareham Borough Council, their plan wide testing confirms that specialist housing for older people should be exempt from affordable housing requirements due to constrained viability associated with this typology¹. The NPPG states that viability assessments are primarily a role for plan making and should not compromise sustainable development and ensure that policies are realistic and will not undermine the delivery of the plan (Paragraph: 002 Reference ID: 10-002-20180724).
- 4.8 Paragraph 007 states that it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the decision-making level. Such circumstances could include development on unallocated sites, where further information on site and infrastructure costs are required, **or where the proposed development significantly varies from standard models (for example build to rent or housing for older people** – my emphasis) (Paragraph: 007 Reference ID: 10-007-20190509).
- 4.9 Paragraph 008 states that where a viability assessment is submitted it should refer back to the information that informed the plan and it is a matter for the decision maker as to the weight to be attached to it. This should include matters such as the most up to date evidence, change in circumstances and the transparency of assumptions behind the viability assessment (Paragraph: 008 Reference ID: 10-008-20180724).
- 4.10 In terms of the review of viability during the lifetime of a project the NPPG states that plans should set out circumstances when review mechanism may be appropriate as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development (Paragraph: 009 Reference ID: 10-008-20190509).
- 4.11 The NPPG considers the inputs required for a viability assessment to determine if a site is financially viable by looking at whether the value generated by a development is greater than the costs of developing it. This includes reviews of gross development value, costs, land value, landowner premium and developer return supported by appropriate evidence following the Government's recommended approach (Paragraph: 010 Reference ID: 10-010-20180724).

¹ https://www.fareham.gov.uk/pdf/planning/local_plan/revisedpublicationlocalplan.pdf (Para 5.33)

4.12 The required inputs are then defined in the following paragraphs as follows;

Gross Development Value (Paragraph: 011)

The value of the development for which residential developments may be total sales or rental income, for which market evidence can be used.

Costs (Paragraph: 012)

Based on evidence reflective of local market conditions including build costs, abnormal costs, site specific infrastructure costs, policy compliant contributions and CIL, finance costs, professional fees and contingencies.

Land Value (Paragraphs 013, 014, 015, and 016)

Based on existing land value plus a premium for the landowner reflecting a minimum return at which the land owner would be willing to sell. This should reflect the implications of abnormal costs, infrastructure costs and professional site fees and be informed by market evidence.

Return to Developer (Paragraph 018)

Potential risk is accounted for in the assumed return for development assumed at between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types.

4.13 The NPPG expects viability appraisals to be prepared by suitably qualified practitioners in accordance with the NPPG. Findings should be presented clearly and set out in an executive summary, making clear what assessments have been used and supported by evidence. It should also be prepared on the basis that it will be made publicly available, unless in exceptional circumstances (Paragraph: 020 Reference ID: 10-020-20180724 and 21 ID: 10-021-20180724).

4.14 The NPPG confirms that Information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data (Paragraph: 021 Reference ID: 10-021-20190509). This reaffirms the standardised approach.

4.15 On 26th June 2019, a further NPPG update was published relating to Housing for older and disabled people. This guidance stresses that plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure and that plans can set out different policy requirements for different types of development.

4.16 This section of the NPPG identifies specialist housing for older people as a 'nonstandard' model of housing where different viability considerations will be relevant.

4.17 The NPPF states within this section that decision makers should consider the location and viability of a development when assessing planning applications for specialist housing for

older people. Local planning authorities can encourage the development of more affordable models and make use of products like shared ownership. Where there is an identified unmet need for specialist housing, local authorities should take a positive approach to schemes that propose to address this need (Ibid).

Vacant Building Credit

4.18 Vacant building credit is applicable in this instance and will be considered in the next section.

5. DEVELOPMENT PLAN POLICY

- 5.1 This section sets out local planning policy considerations as they relate to affordable housing and other planning obligations.

The Reading Local Plan (2019)

- 5.2 The Local Plan was adopted in 2019 and provides the framework for the delivery of housing across the plan period. Policy H3 sets out affordable housing requirements which seeks 30% affordable housing on proposals of 10 or more units.
- 5.3 For sites proposing 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate. In all cases where proposals fall short of the policy target as a result of viability considerations, an open-book approach will be taken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution.
- 5.4 In determining residential applications, the Council will assess the site size, suitability and type of units to be delivered in relation to the current evidence of identified needs. The Council will seek an appropriate tenure mix of affordable housing to include social rented, affordable rent, intermediate rent and shared ownership affordable units. The affordable units provided should be integrated into the development.
- 5.5 Priority needs are currently for housing with two or more bedrooms that can house families. The Council will regularly monitor and review the need for, and delivery of, affordable housing.
- 5.6 The following types of residential development will be exempt from the requirement to provide affordable housing:
- Replacement of a single dwelling with another single dwelling; and
 - Conversion of a dwelling to self-contained flats where there is no new floorspace
- 5.7 The supporting text of the policy states that on-site provision (serviced land or completed units) of affordable housing will always be sought in the first instance on sites of 10 dwellings or more. Where there are exceptional reasons, the provision of surrogate sites (serviced land or completed units) or commuted sums that will enable the provision of a commensurate number and mix of affordable units, will be considered. Examples of exceptional circumstances may include sites where there are existing concentrations of particular types of affordable housing, where there are demonstrable benefits to be gained

by providing the new units elsewhere (e.g. to create more socially balanced communities), or where there is an opportunity to provide a particular type of much needed housing elsewhere (e.g. family housing).

5.8 The Council will be sensitive to exceptional costs of bringing a site to market such as for reasons of expensive reclamation, or infrastructure costs, or high existing use values. Where applicants can demonstrate, to the satisfaction of the Council, exceptional difficulties in bringing a site to market, the Council will be prepared to consider detailed information on the viability of a particular scheme and, where justified through an open book approach, to reduce the affordable housing requirement.

5.9 The tenure, size and type of affordable housing provided as part of any scheme should respond to the identified need for affordable housing taking account of the most up-to-date information, including information in an Affordable Housing Supplementary Planning Document or other Supplementary Planning Document.

5.10 At the time of producing the Local Plan, the tenure split below reflects the most up to date position on needs within Reading. However, a revised Affordable Housing SPD, to be produced during 2019, will look at this issue in detail according to the Local Plan supporting text. The needs below are therefore subject to change within the SPD.

- Social rented or affordable rent housing of no more than target rent – 70% of affordable housing units; and
- Intermediate and/or shared ownership housing – 30%.

Affordable Housing SPD (2021)

5.11 A supplementary planning document was adopted by the council in 2021 setting out guidance on the application of housing policy within the Local Plan. The SPD provides detail in respect of delivering the right type of homes, addressing housing needs, development viability and calculation of contributions.

5.12 In relation to commuted sums, the SPD states that on sites of less than ten dwellings, policy H3 of the Local Plan requires a financial contribution to off-site affordable housing, rather than an on-site contribution. On sites of 1-4 dwellings, this will equate to 10% of the development, and on sites of 5-9 dwellings, this will equate to 20%. In exceptional circumstances, a financial contribution may also be accepted on sites of 10 dwellings or more, as described in paragraph 4.4.21 of the Local Plan, where an on-site contribution cannot be made and an opportunity to make provision on a surrogate site is not available.

- 5.13 Any financial contribution should be equivalent to the contribution that would have been made to provide the housing on-site. It should be of a sufficient amount to enable a registered provider, including the Council, to provide a dwelling or dwellings of an appropriate size at an appropriate rental level to meet the identified need.
- 5.14 The SPD claims that the most appropriate way to calculate the contribution is to calculate the Gross Development Value (GDV) of the entire proposed development. The financial contribution will usually be directly proportionate to the GDV of the scheme assuming it is 100% private sales. As the financial contribution required by an RP to fund one unit is 50% of a unit's market value, the financial contribution equates to 50% of the proportion required under policy. Therefore, the following will generally apply:
- For sites of 10 dwellings or more, where the contribution required by policy H3 is 30% and where, in exceptional circumstances, a justification has been made for an off-site rather than on-site contribution, this will equate to 15% of the GDV of the development.

Community Infrastructure Levy/Developer Contributions

- 5.15 The council's adopted their CIL charging schedule in 2015. The 2026 rate including sheltered housing is £188.28 m2 (the base rate being £120 m2).

Plan Wide Viability Evidence (2024)

- 5.16 A Reading Whole Plan Viability Evidence document was published in December 2024. The study tests a retirement living typology and concludes.
- 5.17 There is limited market evidence of recently achieved new build retirement living sales values, such evidence as is available is from a scheme located in relatively high value Caversham. This indicates achieved sales values indicates 1 and 2 bed unit values 15-20% above general C3 values or rates of £5,900 sq m (1 bed) and £5,465 sqm.
- 5.18 Other factors impact the viability of retirement living schemes with generally slower sales rates and higher associated costs as well as non-value generative areas such as common lounge and guest accommodation, though facilities vary. Construction costs vary according to the scheme design, number of floors etc., with base BCIS mean build costs (2 storeys) showing £1,944 sqm. This is around 5% higher than average residential costs according to the study.
- 5.19 The study concludes that on balance, such schemes are able to compete alongside conventional C3 uses noting they are widespread across the UK, although as discussed above, they are subject to scheme specific cost and value considerations. Viability is

generally towards the lower end of residential development according to the plan wide assessment.

- 5.20 It is difficult to fully interpret the testing undertaken in respect of this typology as only summary appraisals are provided showing residual value outcomes. However, it is clear that the study acknowledges that there are certain typology and site specific factors which might negatively impact financial viability.
- 5.21 In line with the requirements of the NPPG, reference will be made to the plan wide viability assumptions within this site-specific assessment, where those assumptions can be obtained from the plan wide study.

Housing Needs Evidence Base (2024)

- 5.22 Opinion Research Services were commissioned by the council to undertake a Local Housing Needs Assessment in 2024. The study looks at older persons housing and concludes the following.
- 5.23 The population projections underlying the Local Housing Need figure for Reading shows a substantial increase in the older population over the period 2023-2041 with an additional 5,513 persons and 3,951 households resident in the local area
- 5.24 There would be a need to provide an additional 665 specialist older person housing units in Reading (equivalent to an average of 37 dwellings per year).

Conclusions

- 5.25 The council's affordable housing policy starting position is that 30% affordable housing should be provided. However, this is subject to an assessment of financial viability and housing need.
- 5.26 National and local policy acknowledges that vacant building credit may be a consideration where certain criteria has been met.
- 5.27 In relation to viability, the council's most recent whole plan viability evidence base has assessed a retirement living typology, considering a number of factors which mean the viability of an older person's housing typology will differ from mainstream housing. The study notes slower sales rates, higher build cost as well as additional non saleable floorspace. The study concludes that viability is generally towards the lower end of residential development as a result.

VIABILITY ASSESSMENT

Financial Appraisal Inputs

Internal Floor Area

- 6.1 An accommodation schedule is provided at Appendix 1 of this statement. In summary, the proposal includes the following:

Retirement Living Element

1 bed units	- 34 units (average 53.27 m2)
2 bed units	- 17 units (average 77.45 m2)
Saleable floorspace	- 3,127 m2
Gross floorspace	- 4,116 m2
Gross to Net %	- 75.99 % (apartments)

Conversion Elements

1 Detached 2 bed Dwelling – 86.86 m2

10 × 1-bedroom apartments totalling 410 m2 saleable area (Appendix 2 for breakdown)

Sales Values

- 6.2 At January 2026, Rightmove reports that House prices in Caversham have an overall average of £512,081 over the last year. The majority of properties sold in Caversham during the last year were semi-detached properties, selling for an average price of £557,081. Terraced properties sold for an average of £408,366, with detached properties fetching £791,824. Overall, the historical sold prices in Caversham over the last year were similar to the previous year and 5% down on the 2023 peak of £538,498.
- 6.3 The council plan wide viability study from late 2024 notes that there is limited market evidence of recently achieved new build retirement living sales values, such evidence as is available is from a scheme located in relatively high value Caversham. This study indicates 1 and 2 bed unit values 15-20% above general C3 values or rates of £5,900 sq m (1 bed) and

£5,465 sqm.² (paragraph 7.6). It is noted that this evidence is taken from a high value scheme in Caversham.

- 6.4 There are no current selling new build older person's housing schemes in Caversham. There are however a range of new build non age restricted apartments on sale at present. The Carter's Court scheme has 1 bed flats available asking from £255,000 - £292,500 and 2 beds asking £375,000 to £395,000. The Berkeley scheme in the centre of Reading at Vastern Road has 1 bed units asking £335,000 - £365,000 and 2 beds asking £419,000 - £575,000. The Berkeley scheme is very high specification, centrally located and overlooking the Thames. It is also a 3-minute walk from the Elizabeth Line with travel times of 23 minutes to central London.
- 6.5 The next closest newbuild development is the McCarthy Stone scheme in Henley – on – Thames to the northeast of the site which is a much higher value area. This is a retirement living plus scheme or extra care with more on-site facilities than retirement living as proposed. 2-bedroom apartments are available there asking £349,000 to £374,995 for 79-81 m² apartments. A further McCarthy Stone scheme is selling at Tadley, 14 miles to the southwest. Tadley would be a lower value area than Caversham according to Rightmove averages. 1 bed units at this retirement living scheme are asking £245,000 (52 m²) and £349,000 to £399,000 for 2 bed units of 72 m².
- 6.6 In the interests of maximising viability and reflecting the location of the application site, values are included at £395,000 for 1-bedroom properties on average (£7,415 m²) and at £520,000 for 2 bedroom properties (£6,714 m²) reflecting the larger units proposed, value regression (£m²) for larger units and the affordability of the units in line with average prices locally. The single cottages of 86 m² is included at £550,000 (£6,332 m²). These values are higher than those assumed within the plan wide viability study noted above.
- 6.7 In respect of the conversion flats, these are assumed to achieve an average of £250,000 apiece reflective of their size, location and comparable newbuild properties available locally.
- 6.8 A full breakdown of comparable sales transactions and asking prices is included at Appendix 2.

Base Build Cost

- 6.9 The BCIS base build cost at the time of writing is £1,906 m² in respect of supported housing apartments (Appendix 3). An allowance of 10% of base construction cost has been allowed for external areas. It is noted that the plan wide viability study from 2024 adopts a base rate of £1,944 m² plus a 10% external works allowance.

² [Microsoft Word - TN review Assessment of Viability - Reading Local Plan - BPS Chartered Surveyors](#)

- 6.10 In respect of the conversion elements, a rate of £1,950 m² (upper quartile BCIS for conversion of 3-5 storey) has been applied for the conversion of the former schoolhouse given the works necessitates a complete gutting of the existing building and total refurbishment of services, windows, electrics, new partitions, insulation and roof. A rate of £2,387 m² has been applied for the cottage conversion adopting the housing, mixed development upper quartile rate for the same reasoning.
- 6.11 Additional allowances must be added for Building Regulation enhancements relating to Part F, L, O and S at £2,500 per unit proposed. These more recent uplifts will not be factored into BCIS data but will be a cost to the developer.

Site/Proposal Specific Costs

- 6.12 Costs relating to demolition, site clearance and ground conditions must also be considered. A detailed breakdown is provided at Appendix 4. In summary, the following allowances are made totalling £407,000:
- Demolition and Asbestos removal - £95,000
 - Non-Standard Foundations - £244,000
 - Tree works - £20,000
 - Retaining Walls - £20,000
 - S278 - £25,000

Professional Fees

- 6.13 An allowance of 10% of the base construction costs has been applied. This allowance fits within the range applied for plan wide testing and reflects the nature of this brownfield site.

Other S106/Planning Obligations/Community Infrastructure Levy (CIL)

- 6.14 There is an adopted CIL charging schedule which includes housing for older people. It is understood based upon information supplied by the applicant that existing qualifying floorspace amounts to 347 m². The total proposed floor area is £4,821 meaning a net uplift of 4,474 m². The 2026 CIL charge is £188.28 which results in a CIL charge of £842,365 (rounded). This has been cash flowed in line with the council instalment policy with 25% within 90 days, 25% within 360 days and 50% within 480 days of commencement.
- 6.15 Should other S106 contributions be sought during the determination of the planning application, this assessment of viability should be updated to include these additional costs.

Sales and Marketing

- 6.16 Sales and marketing allowances for specialist housing proposals for older people are widely acknowledged to differ substantially from mainstream housing. This is due to the restricted occupancy and longer than average sales periods often extending over several years. A dedicated sales staff will be present on site from pre completion to end of sale supported by regional and head office marketing teams. The overall allowance must also cover online marketing, promotional events and local agent engagement.
- 6.17 A combined rate of 5% of sales revenue for sales and marketing costs has been assumed as supported by a number of recent appeal decisions.³
- 6.18 In respect of the conversion element, a 3% combined sales and marketing allowance is applied.
- 6.19 Legal fees associated with the sale of each property is assumed at £750 per unit as standard.

Sales Rate

- 6.20 As noted within the Reading plan wide viability study, retirement living proposals tend to experience longer than average sales periods due to the nature of the purchaser and it is noteworthy that sales in general are much lower on average in 2025.
- 6.21 The site is located within the applicant's South West region which currently has 16 live selling sites. The average rate of sale across all of these sites is 0.65 sales per month. Each scheme tends to see a similar sales pattern with broadly 40-50% sales in months 1-12 and a sub 1 per month sales pattern thereafter.
- 6.22 For the purpose of this appraisal, it is assumed that an overall sales rate of 1.1 sales per month is achieved across a 48-month period. Within this, it is assumed that 15% of units are sold in month 1 with 45% sold in months 1-12. The remaining units sales are spaced evenly across the remaining sales period. Included at Appendix 5 is a breakdown of the applicants live selling sites which demonstrate much lower sales rates than applied here.
- 6.23 These assumptions are considered ambitious considering the current climate and therefore the applicant reserves the right to revisit these assumptions in light of changes in the market which at the time of writing show transaction levels remaining subdued.
- 6.24 It is assumed that the conversion cottage sells in month 1 and the 10 conversion apartments sell within 6 months. Combined, the rate of sale overall is 1.3 sales per month.

³ Appeal Ref: 3166677 (Redditch, December 2017)

Empty Property Costs

- 6.25 Empty property costs are a function of council tax payable on finished unsold and empty property as well as service charges and other charges, which must be paid owing to longer than average sales periods for this type of proposal. The inclusion of EPCs within viability appraisals has been agreed with local planning authorities and their assessors on similar proposals throughout the country. The council's plan wide viability assessment makes allowances for such costs on older persons housing proposals.
- 6.26 It is considered reasonable to include such costs within the viability appraisal as they are an unavoidable cost associated with the development of retirement living flatted schemes. The NPPG is clear at paragraph 007 that where types of development are proposed which may significantly differ from standard models of development (e.g. housing for older people), the particular viability considerations can be taken into account by decision makers. EPCs are a particular cost associated with this form of development. The plan wide study includes void rates which is another name for empty property costs.
- 6.27 A breakdown of the empty property costs associated with this development is included at Appendix 6 and applied to the Argus Developer software cashflow.
- 6.28 Note that further uplifts are applied for properties vacant for longer than 12 months in line with the Reading council tax rules set out on the website.
- 6.29 For the avoidance of doubt, no empty property costs are applied to the conversion elements.

Finance Costs

- 6.30 An overall debit rate of 7.5% is applied and this has been included in this submission. A credit rate of 1.0% has been assumed. No arrangement, valuation, legal, monitoring or exit fees have been allowed for in the appraisal as it is assumed to be incorporated within the overall debit rate. It is widely reported at the time of writing that average development lending rates are in excess of 8.5%.

Land Acquisition Costs

- 6.31 Stamp duty is applied at the current HMRC variable rates as updated in April 2016.
- 6.32 Land purchase legal fees at 0.75% of the land value on purchase and Acquisition Agent fees at 1% of the land value are assumed as standard.

Developers Return

- 6.33 As set out, the NPPG is clear that potential risk is accounted for in the assumed return for development assumed at between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types and typologies.
- 6.34 An acceptable return for risk in respect of retirement living proposals such as this not less than 20% of gross development value. This is consistent with the plan wide viability study.
- 6.35 This is consistent with the Inspector conclusions for the McCarthy and Stone proposal at Redditch (Appeal Ref: 3166677), the Churchill Retirement Living proposal at Cheam (Appeal Ref: 3159137), the Churchill Retirement Living scheme at West Bridgford (Appeal Ref: 3229412) in 2019 and the McCarthy Stone proposal in Sale (Appeal Ref: 3325034) in 2023. The consistent findings in these appeal decisions were:
- There are a number of inherent sector specific risks with this form of development which materially differ to that of general needs housing including an inability to phase and allow for risk reappraisal.
 - Retirement living housing must be fully completed and operationally ready before sales commences as older people are less likely to buy 'off plan' without seeing for example the benefit of the communal facilities.
 - The above provides a slower return on investment and a longer period of uncertainty in the market and cost exposure. This risk is particularly pronounced in periods of market uncertainty when sales rates are slow. This is the case in the current market where we are seeing access to development finance tightening with lenders increasing borrowing rates and demanding higher coverage in the form of higher developer returns.
 - A restricted occupancy also limits the marketability of such housing in comparison to general needs development. The sector does not benefit from Government incentives such as First Homes. A slow down in the wider market also means that sales for older persons housing also slow down given that such sales are often at the end of a much longer chain. We are now seeing sales transactions across the wider market slow considerably as a result of increased mortgage rates and affordability issues for prospective purchasers across the market.
 - The NPPG recognises that viability for older peoples housing differs from general needs housing (NPPG Paragraph 007) and that it is appropriate for local planning authorities to recognise this at both the plan making and decision taking level.

6.36 A 20% return is also allowed for the conversion elements given the combined project risk overall.

Timing Assumptions

6.37 The following timing assumptions are made for the viability appraisal:

Timescale	Duration	Commences
Acquisition	1	Jan 2026
Pre-Construction	6	Feb 2026
Construction	20	Aug 2026
Sale	48	Apr 2028
Total Duration	75	

6.38 A copy of the financial viability appraisal (FVA) for a 100% open market appraisal is included at Appendix 7 and summarised within Section 7.

Benchmark Land Value

6.39 In assessing the viability of the site, a key benchmark is site value. For planning viability assessment purposes, the starting position should be the existing use value.

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+).⁴

6.40 The second component of benchmark land value is the premium to be attached to the existing use value as an incentive for the owner to release the site for redevelopment/restrict the sale of the property on the open market as part of a subject to planning land arrangement. The PPG sets out at paragraph 016 (viability) the following:

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

⁴ <https://www.gov.uk/guidance/viability> (reference 10-013-20190509)

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

6.41 Any assessment of minimum premium to the landowner should include analysing other options available to the landowner. In this case, the existing uses on the site have ceased and the site is included within the emerging Local Plan review as suitable for residential use (22-34 dwellings) where the continued education use is no longer required. Marketing has been undertaken which has shown no interest in the continued use of the site for educational purposes.

6.42 The PPG states the following in respect of AUV.

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.

6.43 An indicative layout has been produced showing a 27-unit scheme of houses including the proposed conversion elements. The site contains vacant floorspace which should mean that vacant building credit will apply. At this stage it is assumed that the full 30% affordable housing requirement is provided on site for testing purposes. A full assessment of how the AUV scheme complies with the PPG requirements is set out at Appendix 8.

6.44 The site benchmark land value is therefore assumed to be £2,450,000 and applied to the viability appraisal accordingly. This is considered to be the minimum threshold, below which, it is considered the site would not be secured for redevelopment given that a rational land owner would not obtain a sufficient incentive to release the land for redevelopment.

VIABILITY APPRAISAL OUTPUT AND CONCLUSIONS

- 7.1 The outputs of the financial appraisals with 0% affordable housing are summarised below for ease of reference. For any sum to be viable, the residual land value of the proposal must be higher than the benchmark land value. See Appendix 7 for the full appraisal.

	100% Open Market Scheme	
Open Market Sales	£25,320,000	£6,986 m2 (blended)
Base Construction Cost	£9,158,677	£2,387 m2 - £1,822 m2
External Build Costs	£915,868	10% base
Contingency	£531,827	5% base
Extra Over Build Costs	£407,000	Scheme Specific
Professional Fees	£1,063,654	10% base
CIL/S106	£882,078	Scheme Specific
Marketing	£759,600	3% GDV
Disposal Costs	£502,900	2% GDV
Unsold Unit Fees	£509,233	Scheme Specific
Finance	£2,227,187	8%
Acquisition Costs	£188,900	As Standard
Total Cost Outlay	£20,255,996	
Profit	£5,064,004	20% GDV
Residual Land Value	£2,954,072	
Benchmark Land Value	£2,600,000	AUV
Surplus/Deficit	£354,072	

Table 4 – Summary of Viability Appraisal Outputs

- 7.2 In this case, applying the fully evidenced inputs and assumptions to the viability appraisal, the residual land value generated shows financial headroom for affordable housing contributions of £354,072. If further contributions are added to the appraisal, the proposal would be unviable for the applicant to take forward.
- 7.3 It is considered that due to the nature of the proposal as well as the viability outcome, no registered provider interest is likely to materialise in taking on site affordable housing given the small number of units likely to be viable. Due to the nature of the site which includes a complex conversion element together with an age restricted element, it would be impracticable and uneconomical to facilitate mixed management and service charge arrangements.
- 7.4 A commuted sum will allow the local authority to invest in the provision of priority need affordable housing in partnership with registered providers or as part of the council's own acquisition and development programme.

Sensitivity Testing

- 7.5 As required by the RICS Conduct and Reporting Professional Statement, sensitivity testing of the appraisal has been undertaken. Stepped increases and decreases of 2.5% in sales revenue and build costs are analysed and a summary of impact of residual land value is presented in the following table.

Construction: Rate /m²								
Sales: Rate /m²	-7.500%	-5.000%	-2.500%	0.000%	2.500%	5.000%	7.500%	10.000%
	1,740.85 /m²	1,787.90 /m²	1,834.95 /m²	1,882.00 /m²	1,929.05 /m²	1,976.10 /m²	2,023.15 /m²	2,070.20 /m²
-7.500%	-2,607,403	-2,363,081	-2,118,758	-1,874,435	-1,630,111	-1,385,788	-1,141,470	-897,142
-5.000%	-2,967,282	-2,722,960	-2,478,637	-2,234,314	-1,989,991	-1,745,668	-1,501,345	-1,257,028
-2.500%	-3,327,160	-3,082,838	-2,838,516	-2,594,193	-2,349,870	-2,105,548	-1,861,224	-1,616,901
0.000%	-3,687,039	-3,442,716	-3,198,394	-2,954,072	-2,709,750	-2,465,427	-2,221,104	-1,976,781
2.500%	-4,046,917	-3,802,595	-3,558,273	-3,313,951	-3,069,628	-2,825,306	-2,580,983	-2,336,661
5.000%	-4,406,804	-4,162,473	-3,918,151	-3,673,829	-3,429,507	-3,185,185	-2,940,863	-2,696,540
7.500%	-4,766,684	-4,522,361	-4,278,030	-4,033,707	-3,789,386	-3,545,064	-3,300,741	-3,056,419
10.000%	-5,126,564	-4,882,241	-4,637,917	-4,393,586	-4,149,264	-3,904,942	-3,660,620	-3,416,298

Table 5 – Sensitivity Analysis

- 7.6 In order to provide context to the sensitivity analysis it is necessary to examine likely movements in build cost and sales values noting that these are forecasts which may be impacted by currently unknown factors.
- 7.7 In relation to build cost, the BCIS quarterly briefing, October 2025 (Appendix 10) outlines expectations for the industry. Cumulatively, from 2025 – 2028, tender prices are forecast to increase by 8-9% above current levels or broadly 14% over the period to 2030.

Period	BCIS General Building Index	BCIS Tender Price Index
Q3 25 – Q3 26	2.9%	2.5%
Q3 25 – Q3 27	3.0%	2.7%
Q3 27 – Q3 28	3.1%	3.1%
Q3 28 – Q3 29	2.9%	3.2%
Q3 29 – Q3 30	2.6%	2.2%

Table 6 – Forecast Increase in Build Cost (BCIS September 2025)

- 7.7 In terms of values, The RICS Housing Market Survey October 2025 (Appendix 11) signals market activity in negative territory with buyer demand in negative territory nationally. Over a twelve-month horizon, a net balance of +7% of respondents anticipate a pickup in sales activity. For house prices, the aggregate net balance of -19% is slightly below the

-17% recorded in the previous survey but broadly in line with the average over the past three months. This continues to indicate modest downward pressure on headline house prices.

- 7.8 The Office for Budget Responsibility (OBR) provide a regular forecast of house price changes at a national level. In November 2025 (Appendix 12) the OBR reported house price growth forecast of an average of 2.5% per annum from 2026 to 2030. In terms of transactions, the OBR forecasts a reduction in transactions in the market due to the projected increase in mortgage rates and an ageing population that transacts property both later in life and less frequently which they state will weigh on transactions.
- 7.9 In summary, general market forecasts over the next 3 years suggest that build cost inflation will likely exceed inflation in house prices measured at a national level. It should be noted that the above forecasts are not specific to Reading.
- 7.10 It is concluded that the assumptions within the FVA are appropriately balanced and are not overly pessimistic given the current and forecasted movements in costs and values.

Appendices

Appendix 1 – Accommodation Schedule

Appendix 2 – Sales Values Analysis

Appendix 3 – BCIS

Appendix 4 – Extra Over Build Costs

Appendix 5 – Sales Rate Analysis

Appendix 6 – Empty Property Costs

Appendix 7 – Argus Developer Appraisal 100% Open Market Scheme

Appendix 8 – Assessment of Benchmark Land Value

Appendix 1 – Accommodation Schedule

ACCOMMODATION SCHEDULE

STAGE

Site Address: FORMER SCHOOL, HEMDEAN ROAD, CAVERSHAM
Post Code: RG
Project No: 10137CS

No. Units: 51

Floor Level	Plot No.	Net Floor Area m2	Net Floor Area ft2	No. of bedrooms	Orientation													
G	1	74.29	799.7	2	S													
G	2	57.84	622.6	1	S													
G	3	57.84	622.6	1	S													
G	4	50.73	546.1	1	S													
G	5	50.73	546.1	1	S													
G	6	74.29	799.7	2	S													
G	7	50.73	546.1	1	S													
G	8	75.51	812.8	2	W													
G	9	52.14	561.2	1	N													
G	10	75.71	814.9	2	N													
G	11	52.14	561.2	1	N													
G	12	52.73	567.6	1	W													
G	12a	52.73	567.6	1	W													
G	14	75.53	813.0	2	E													
G	15	87.36	940.3	2	E													
1	16	52.73	567.6	1	W													
1	17	75.23	809.8	2	E													
1	18	52.14	561.2	1	E													
1	19	88.15	948.8	2	E													
1	20	52.14	561.2	1	E													
1	21	52.14	561.2	1	S													
1	22	82.69	890.1	2	S													
1	23	57.84	622.6	1	W													
1	24	57.84	622.6	1	S													
1	25	50.73	546.1	1	S													
1	26	50.73	546.1	1	S													
1	27	74.29	799.7	2	S													
1	28	57.51	619.0	1	S													
1	29	75.71	814.9	2	W													
1	30	52.14	561.2	1	N													
1	31	75.21	809.6	2	N													
1	32	52.14	561.2	1	N													
1	33	52.73	567.6	1	N													
2	34	52.73	567.6	1	W													
2	35	51.97	559.4	1	E													
2	36	52.14	561.2	1	E													
2	37	75.71	814.9	2	E													
2	38	52.14	561.2	1	E													
2	39	51.97	559.4	1	S													
2	40	81.26	874.7	2	S													
2	41	57.84	622.6	1	W													
2	42	57.84	622.6	1	S													
2	43	50.73	546.1	1	S													
2	44	50.73	546.1	1	S													
2	45	74.29	799.7	2	S													
2	46	57.51	619.0	1	S													
2	47	75.71	814.9	2	W													
2	48	52.14	561.2	1	N													
2	49	75.71	814.9	2	N													
2	50	52.14	561.2	1	N													
2	51	52.73	567.6	1	N													
Total		3,128	33,666	51														

	1 Bed	2 Bed	2 bed %	Standard	Standard Modified	Non Standard
	9	6	40.0%	0	0	0
	12	6	33.3%	0	0	0
	13	5	27.8%	0	0	0
	34	17	33.3%	0	0	0

53.27 77.45
1811 1317 3127.83

Non-standard [N]

Communal Areas

Entrance Lobby	0.00	m²
Owners' Lounge	98.64	m²
Office/Reception	13.79	m²
Tea/Coffee Bar	7.30	m²
Guest Suite	21.47	m²
Refuse	31.91	m²
WC	4.55	m²
OL store	3.73	m²
Buggy store	0.00	m²

Plant		
Ground & utility	5.11	m²
1st	5.11	m²
2nd	5.11	m²
3rd	0.00	m²
4th	0.00	m²

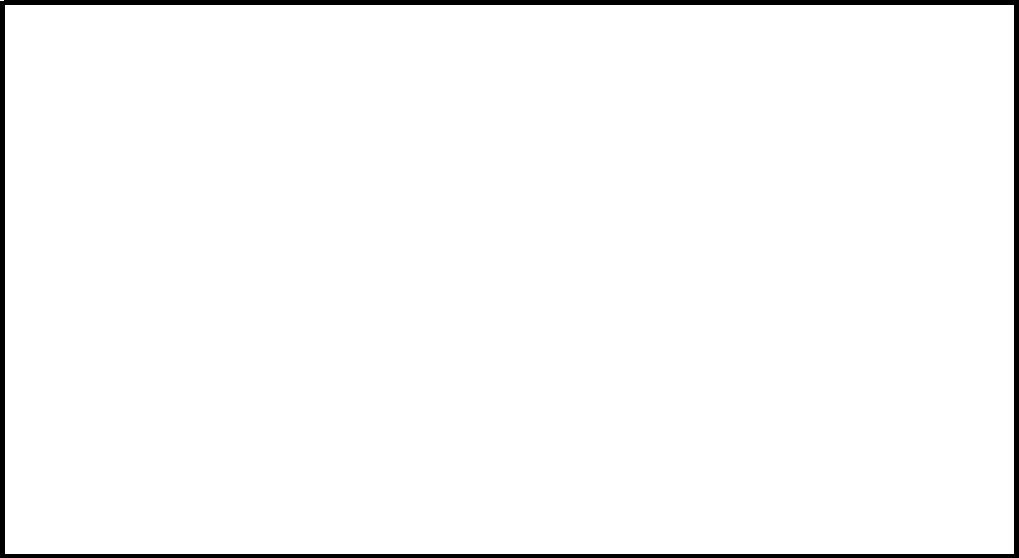
Lift		
Ground	5.82	m²
1st	5.82	m²
2nd	5.82	m²
3rd	0.00	m²
4th	0.00	m²

Stair 1		
Ground	9.57	m²
1st	9.57	m²
2nd	9.57	m²
3rd	0.00	m²
4th	0.00	m²

Stair 2		
Ground	9.57	m²
1st	9.57	m²
2nd	9.57	m²
3rd	0.00	m²
4th	0.00	m²

Stair 3		
Ground	14.74	m²
1st	9.57	m²
2nd	9.57	m²
3rd	0.00	m²
4th	0.00	m²

Stair 4		
Ground	0.00	m²
1st	0.00	m²
2nd	0.00	m²
3rd	0.00	m²
4th	0.00	m²



Smoke Shaft		
Ground	0.00	m ²
1st	0.00	m ²
2nd	0.00	m ²
3rd	0.00	m ²
4th	0.00	m ²
Corridors		
Ground	139.18	m ²
1st	135.08	m ²
2nd	135.46	m ²
3rd	0.00	m ²
4th	0.00	m ²
Total	715.20	m ²

Gross Perimeter - External

Ground	251.20	m
1st	251.20	m
2nd	262.70	m
3rd	0.00	m
4th	0.00	m
Total	765.10	m

Gross Area - Internal

Ground	1376.87	m ²
1st	1376.87	m ²
2nd	1362.41	m ²
3rd	0.00	m ²
4th	0.00	m ²
Total	4116.2	m ²

Gross Area - External

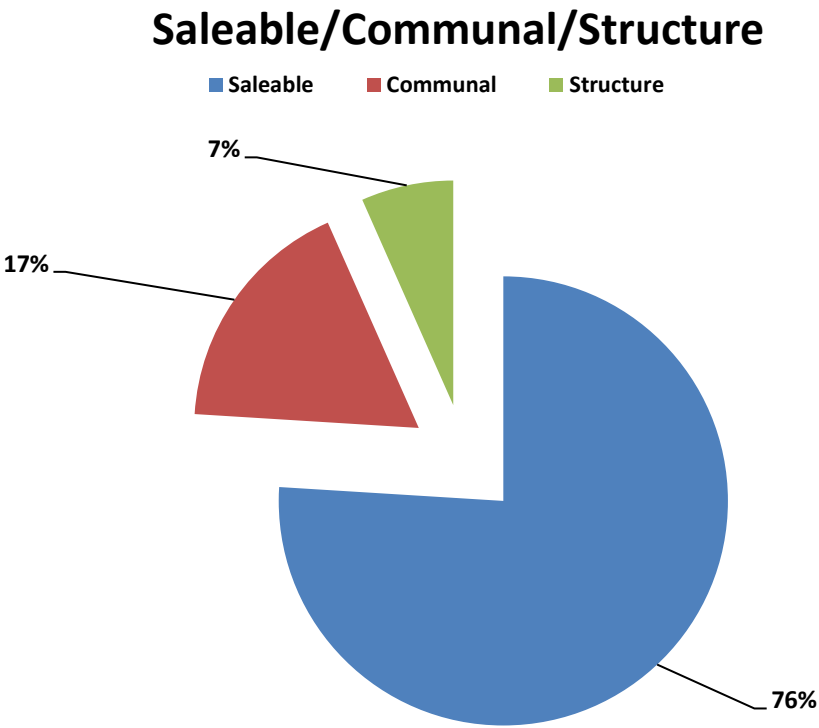
Ground	1476.71	m ²
1st	1476.71	m ²
2nd	1465.76	m ²
3rd	0.00	m ²
4th	0.00	m ²
Total	4419.2	m ²

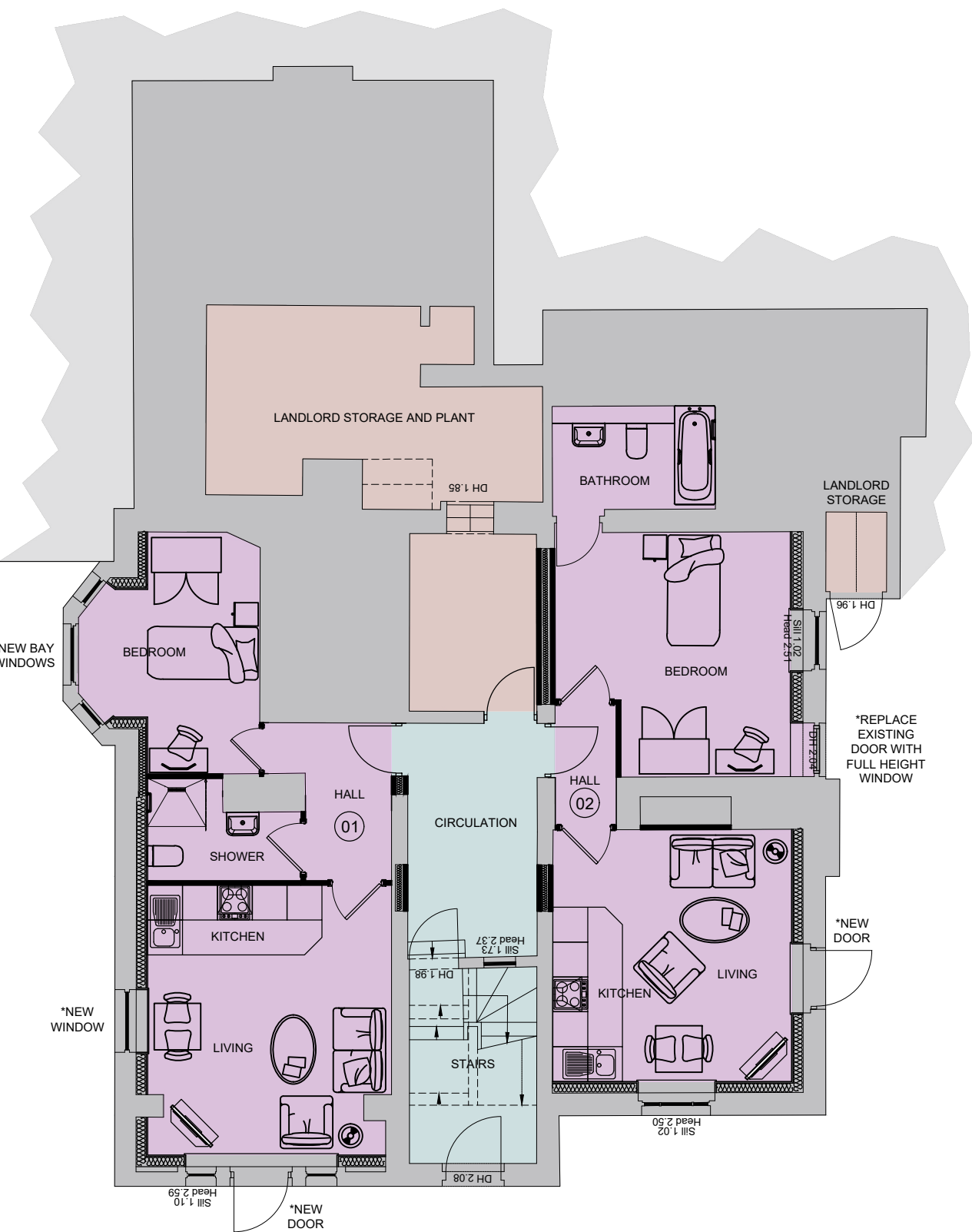
Saleable/Communal/Structure

Saleable	3127.7	m ²	=	75.99	%
Communal	715.2	m ²	=	17.4	%
Structure	273.3	m ²	=	6.6	%
Total	4116.2	m ²	=	100.0	%

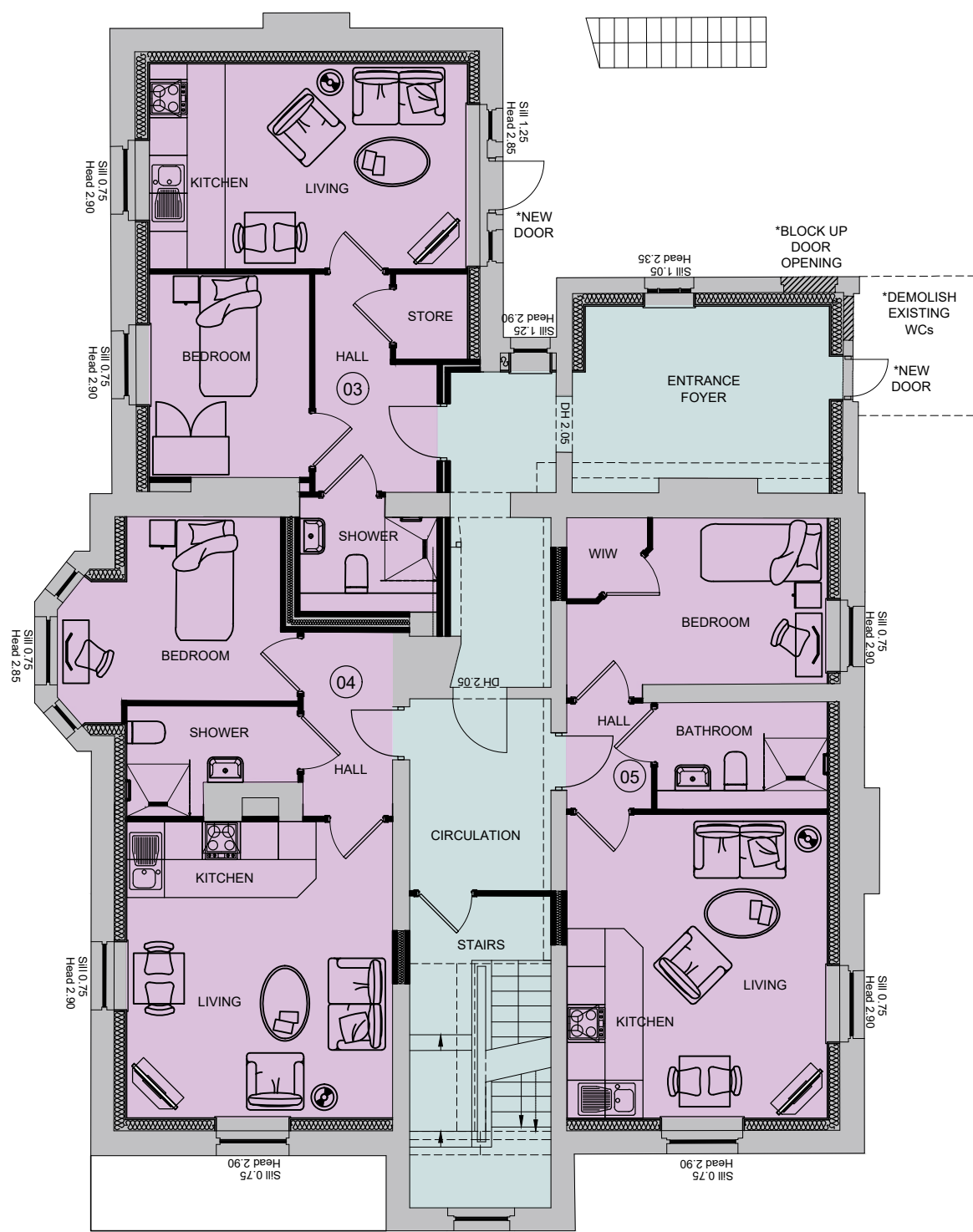
SITE/Soft Landscape/Hard Landscape

Gross Site Area	10774.00	ft ²
Soft landscape Area	7322.42	ft ²
Hard Landscape Area	1874.37	ft ²

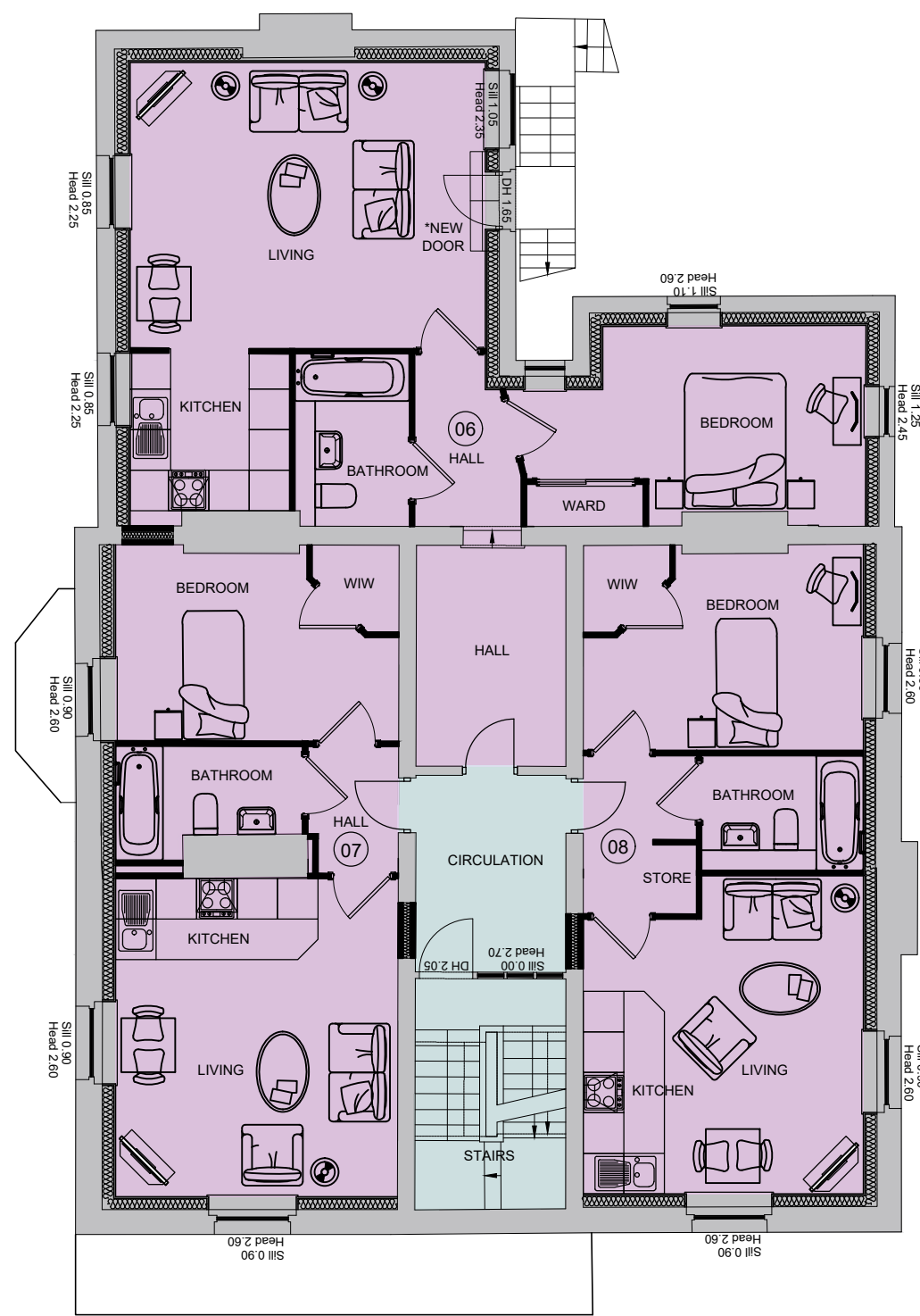




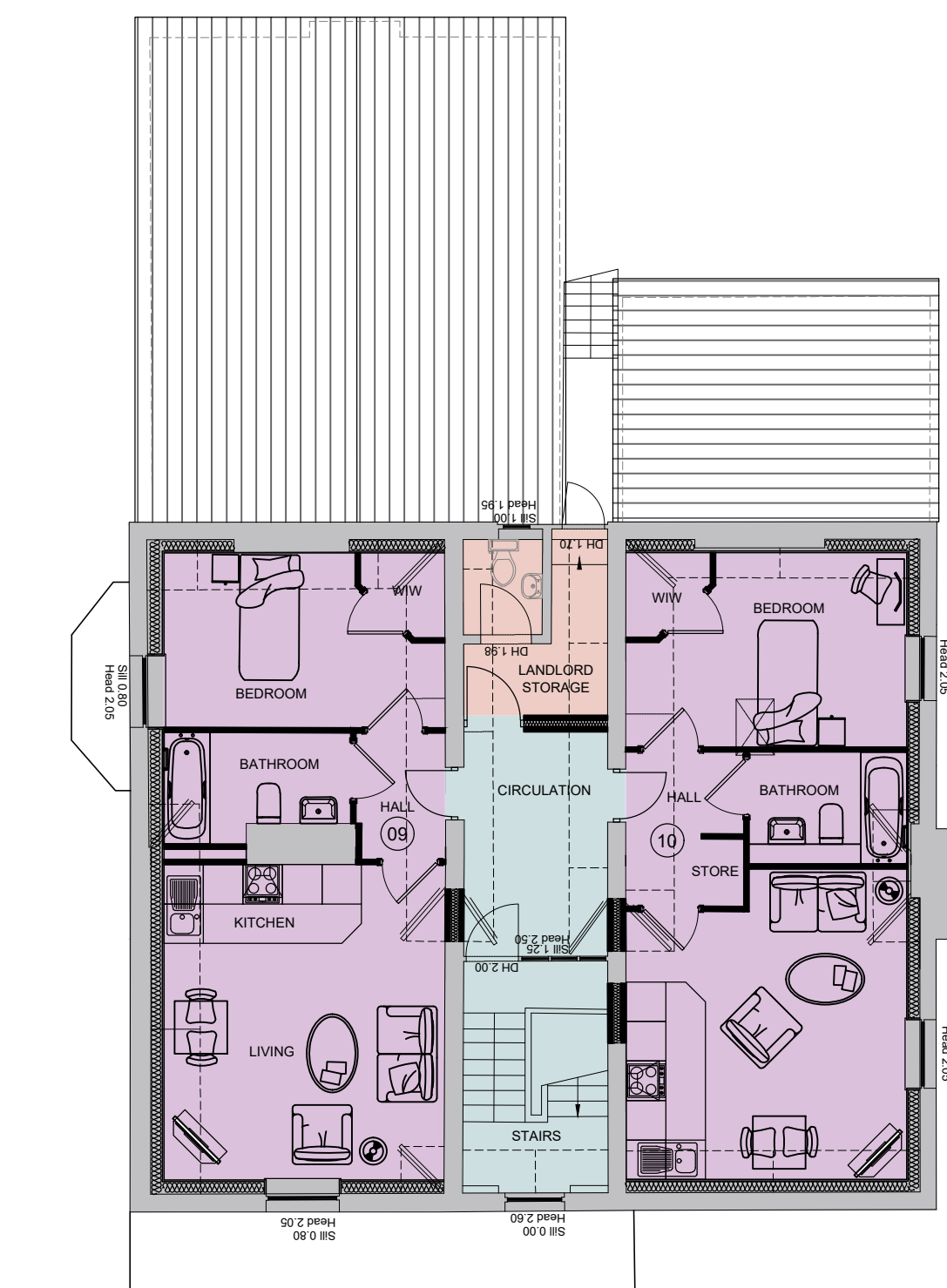
Lower Ground Floor Plan (1:100)



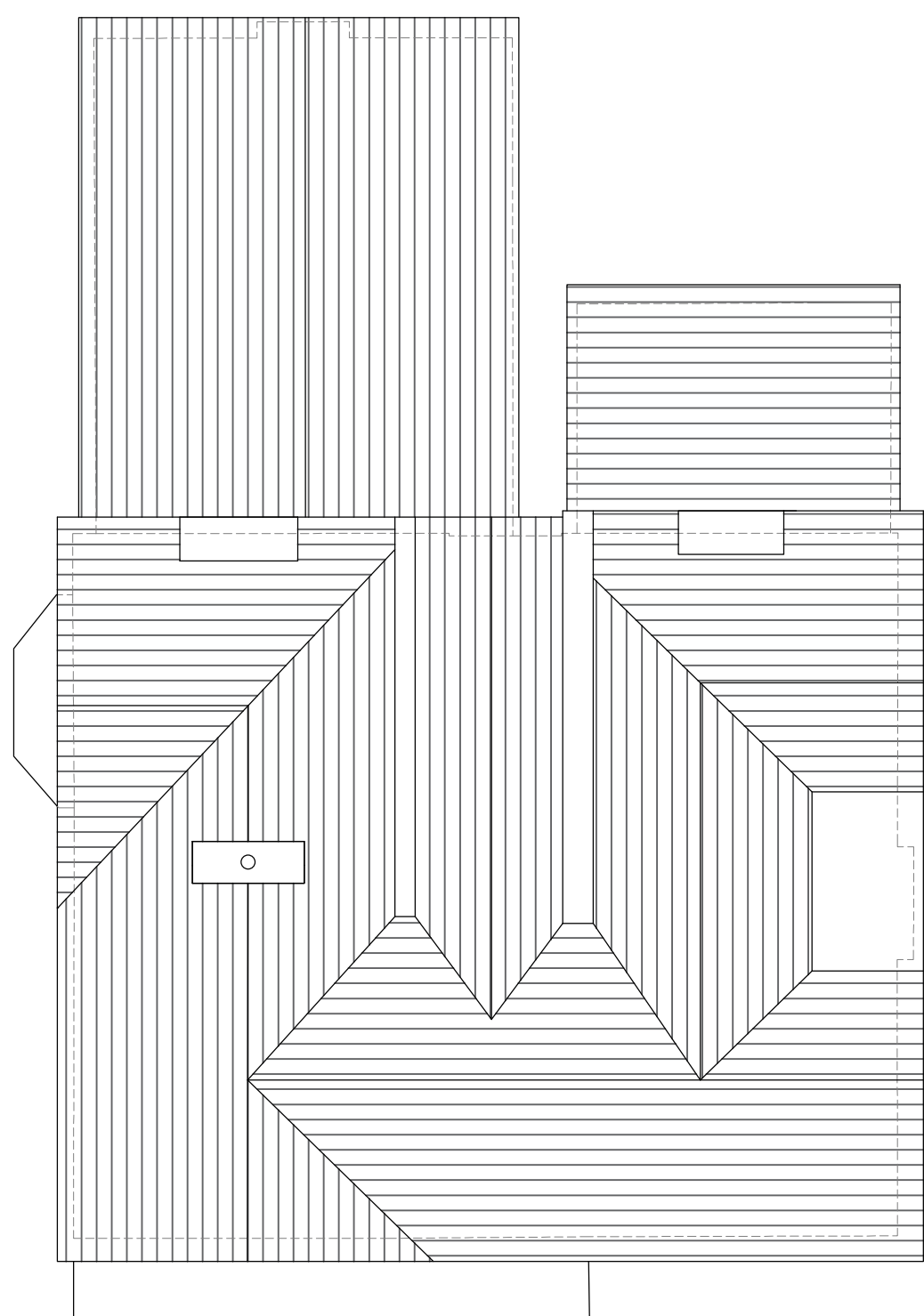
Ground Floor Plan (1:100)



First Floor Plan (1:100)



Second Floor Plan (1:100)

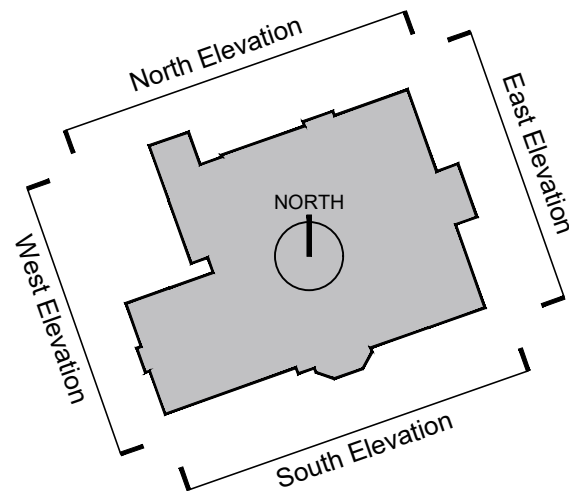


Roof Plan (1:100)

REVISIONS		
Rev.	Date	By

School House
Schedule of GIAs

- Flat 1 - 38.2 m2
- Flat 2 - 41.5 m2
- Flat 3 - 37.0 m2
- Flat 4 - 38.1 m2
- Flat 5 - 38.3 m2
- Flat 6 - 58.0m2
- Flat 7 - 39.0 m2
- Flat 8 - 39.7 m2
- Flat 9 - 39.6 m2
- Flat 10 - 40.6m2



Client

Churchill
Living

Your lifestyle • Your choice

PROPOSED RETIREMENT APARTMENTS
FORMER HEMDEAN HOUSE SCHOOL
HEMDEAN ROAD, CAVERSHAM
RG4 7SD

PROPOSED PLANS - SCHOOL HOUSE

PLANNING APPLICATION

Scale 1:50 @ A1

Date JAN. 2026

Drawn KLS

Checked RJ

Drawing No.

Rev.

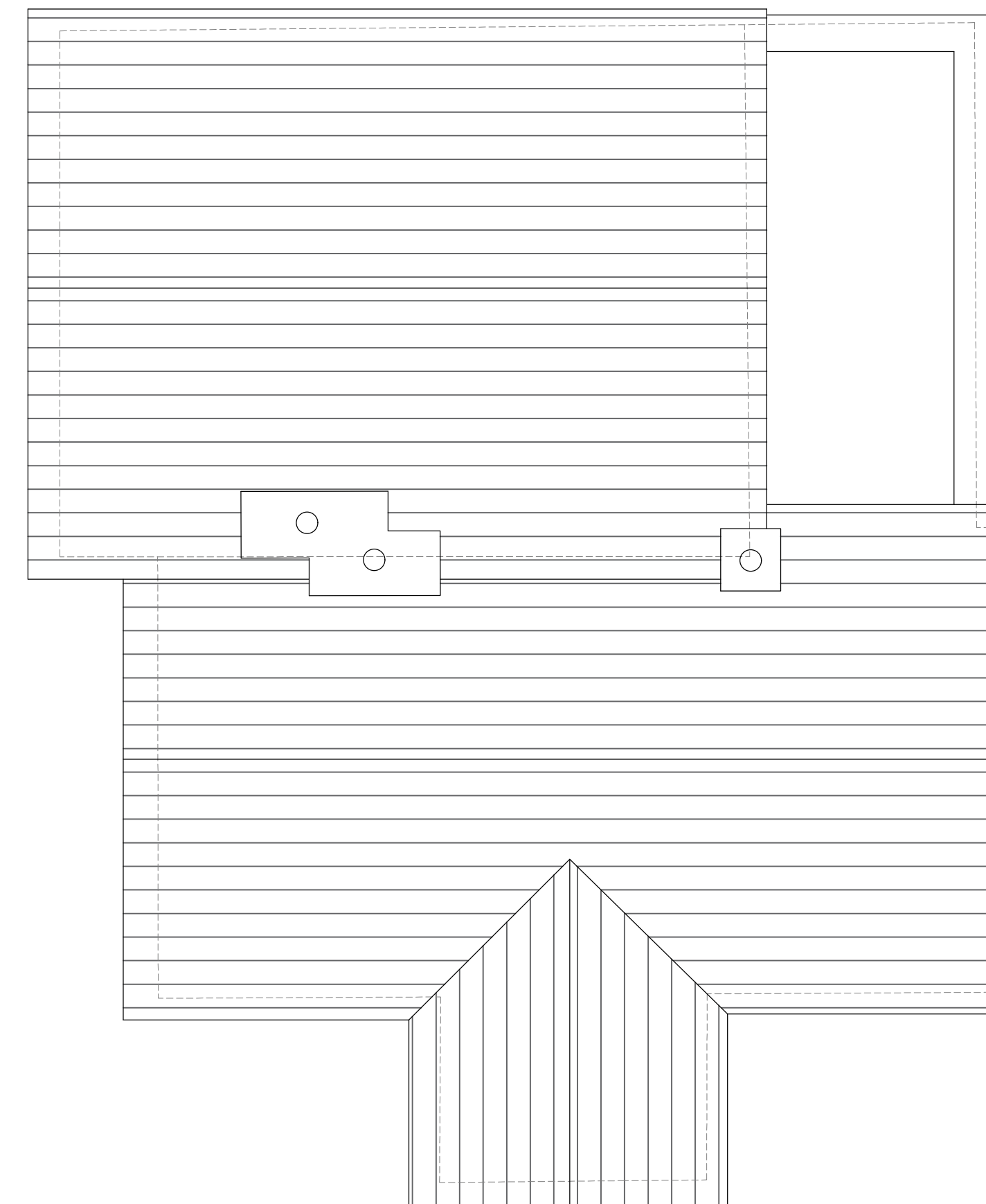
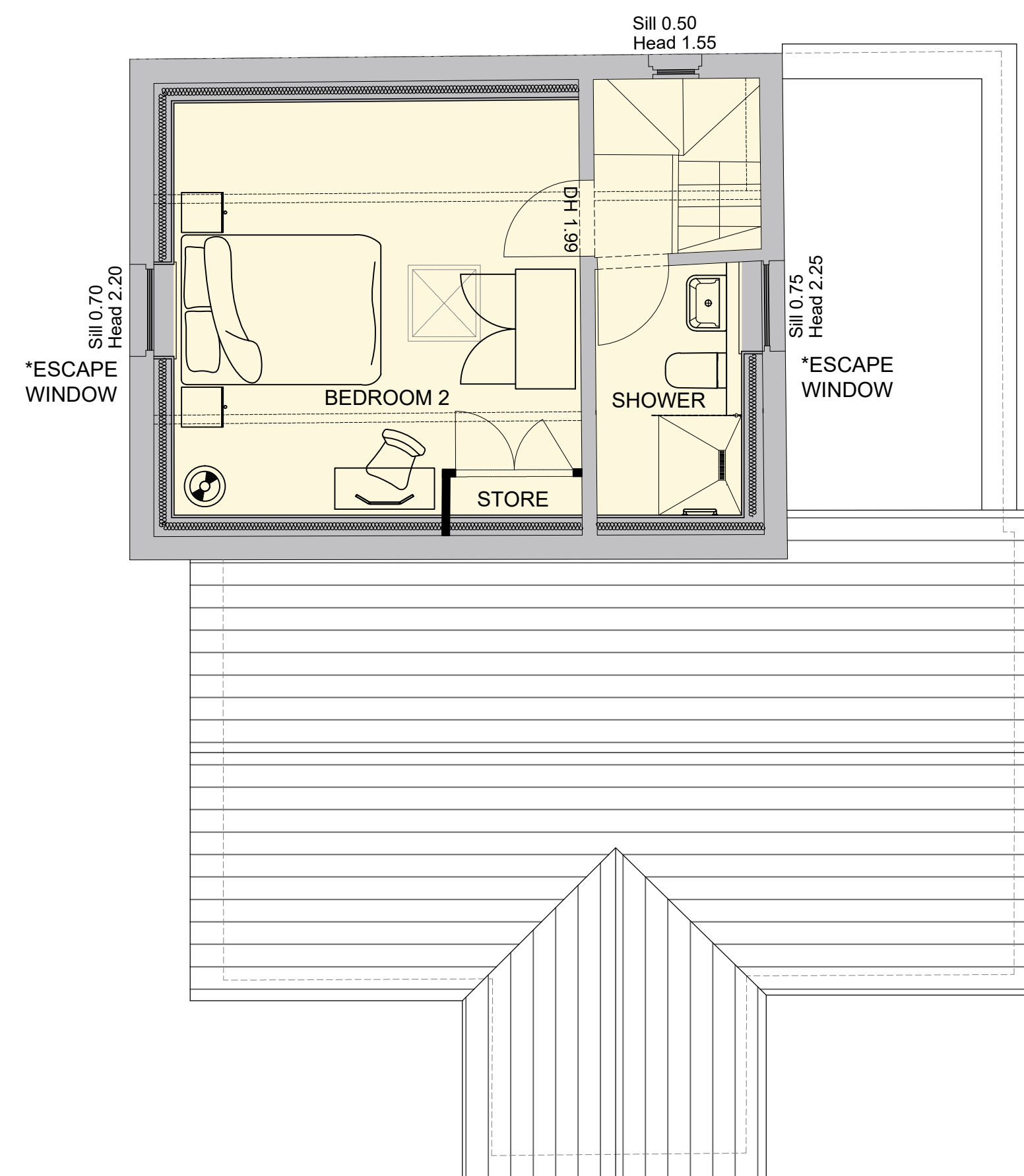
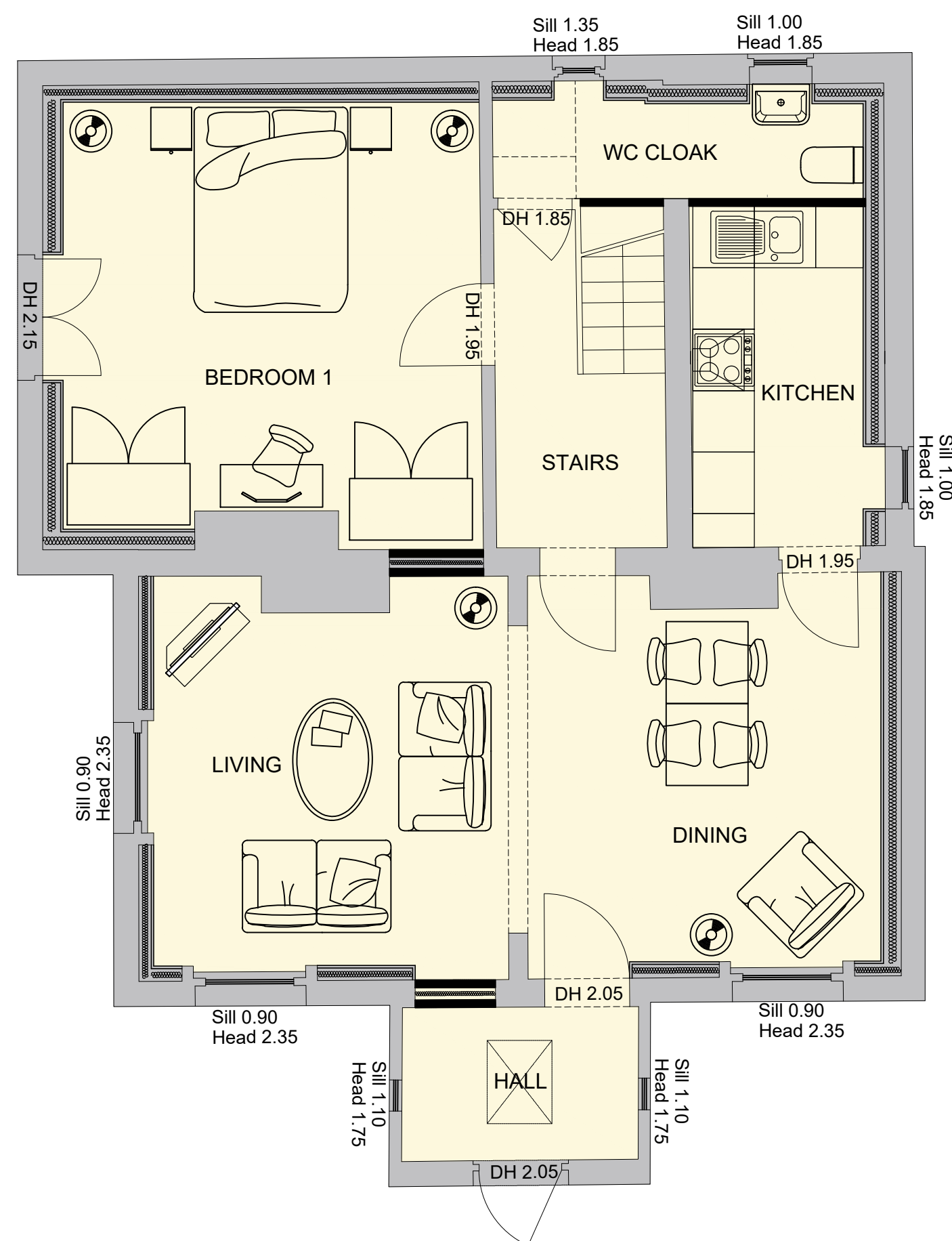
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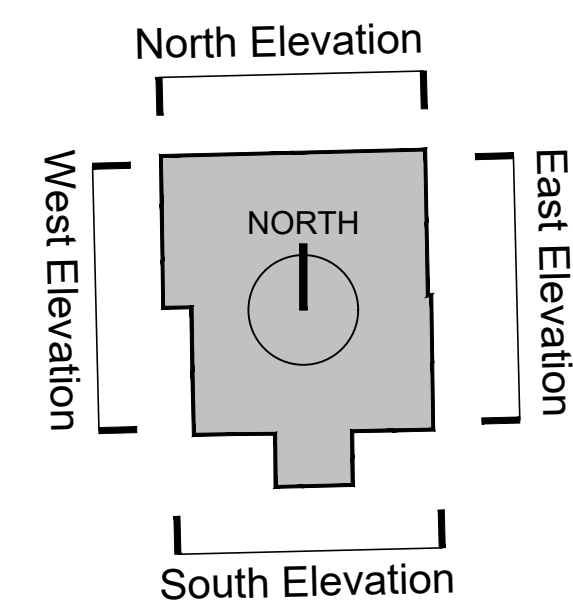
TOWN PLANNING AND ARCHITECTURE

Churchill House • Parkside • Ringwood • Hampshire • BH24 3SG

Tel: (01425) 442375 • Email: design@planningissues.co.uk



GIA - 92.0 m2
Net Saleable - 86.6 m2



Appendix 2 – Sales Values Analysis

Asking Prices Flats

Address	Tenure	Postcode	Last updated on	Date of tra	sqm	Rightmove	Sqft	Rightmove	Date	EPC	Sqft	EPC	Inspection	date	Price (Â£) / sqm	Price (Â£)	Price (Â£)	Property ty	Number h	z	New build
33, Caversham Road, Reading		RG1 7BT	22/01/2026		55		592		22/01/2026		670		05/10/2022		4909.09	456.07	270000	Flat	4		TRUE
Plot 5 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	20/01/2026		41		441		20/01/2026		660		01/09/2009		6097.56	566.48	250000	Flat	3		TRUE
Plot 3 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	20/01/2026		51		549		20/01/2026		8181		02/02/2017		6078.43	564.7	310000	Flat			TRUE
Plot 5 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	20/01/2026		41		441		20/01/2026		660		01/09/2009		6097.56	566.48	250000	Flat	3		TRUE
Flat 6 Alastair Nicholas Court, Caversham Road, Reading	Leasehold	RG1 7BT	19/01/2026		61		657		19/01/2026		341		19/07/2025		5737.7	533.05	350000	Flat	2		TRUE
Premier House 60, Caversham Road, Reading	Leasehold	RG1 7EB	11/01/2026		65		700		11/01/2026	23670			27/10/2023		5576.92	518.11	362500	Flat			TRUE
Flat 5 Alastair Nicholas Court, Caversham Road, Reading	Leasehold	RG1 7BT	12/12/2025		53		570		12/12/2025		377		14/02/2020		4716.04	438.13	249950	Flat	2		TRUE
33, Caversham Road, Reading		RG1 7BT	12/12/2025		65		700		12/12/2025		670		05/10/2022		5306.92	493.03	344950	Flat	4		TRUE
37 The Tweed, Caversham Road, Reading	Leasehold	RG1 8AR	11/12/2025		52		560		11/12/2025		3111		22/11/2019		5383.65	500.15	279950	Flat			TRUE
39 The Usk, Caversham Road, Reading	Leasehold	RG1 8AR	08/12/2025		52		560		08/12/2025		3111		22/11/2019		7596.15	705.7	395000	Flat			TRUE
42 The Tweed, Caversham Road, Reading	Leasehold	RG1 8AR	07/12/2025		52		560		07/12/2025		3111		22/11/2019		5528.85	513.64	287500	Flat			TRUE
47 The Tweed, Caversham Road, Reading	Leasehold	RG1 8AR	01/12/2025		52		560		01/12/2025		3111		22/11/2019		5576.92	518.11	290000	Flat			TRUE
99-113, Caversham Road, Reading	Leasehold	RG1 8AR	25/11/2025		68		732		25/11/2025		1561		22/11/2019		5514.71	512.33	375000	Flat			TRUE
99-113, Caversham Road, Reading	Leasehold	RG1 8AR	25/11/2025		52		560		25/11/2025		1561		22/11/2019		5191.35	482.29	269950	Flat			TRUE
8 The Wye, Caversham Road, Reading	Leasehold	RG1 8AR	21/11/2025		52		560		21/11/2025		3111		22/11/2019		5383.65	500.15	279950	Flat			TRUE
Plot 2 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	16/10/2025		55		592		16/10/2025		1076		11/07/2014		5909.09	548.97	325000	Flat	4		TRUE
Plot 6 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	16/10/2025		40		431		16/10/2025		4575		21/04/2020		6625	615.48	265000	Flat			TRUE
50 The Avon, Caversham Road, Reading	Leasehold	RG1 8AR	13/10/2025		78		840		13/10/2025		3111		22/11/2019		3621.79	336.47	282500	Flat			TRUE
Plot 5 Flat, Send Road, Caversham, Reading	Share of Freehold	RG4 8EH	10/10/2025		41		441		10/10/2025		660		01/09/2009		6097.56	566.48	250000	Flat	3		TRUE
Premier House 60, Caversham Road, Reading	Leasehold	RG1 7EB	09/10/2025		65		700		09/10/2025	23670			27/10/2023		5461.54	507.39	355000	Flat			TRUE
1 Bed Apartment, Reading Riverworks, Reading	Leasehold	RG1 8BU	30/09/2025		52						560		18/07/2023		6384.62	593.15	332000	Flat	3		TRUE
11 Apartment, Vastern Road, Reading	Leasehold	RG1 8BU	30/09/2025		54		581		30/09/2025		823		24/05/2021		6759.26	627.95	365000	Flat	3		TRUE
99-113, Caversham Road, Reading	Leasehold	RG1 8AR	12/09/2025		78		840		12/09/2025		1561		22/11/2019		5128.21	476.42	400000	Flat			TRUE
39 The Usk, Caversham Road, Reading	Leasehold	RG1 8AR	26/08/2025		89		958		26/08/2025		3111		22/11/2019		4438.2	412.32	395000	Flat			TRUE
36 The Towy, Caversham Road, Reading	Leasehold	RG1 8AR	18/08/2025		89		958		18/08/2025		3111		22/11/2019		4466.29	414.93	397500	Flat			TRUE
6, Gosbrook Road, Caversham, Reading	Leasehold	RG4 8BG	16/07/2025		40		431		16/07/2025		807		11/09/2025		6250	580.64	250000	Flat			TRUE
2, Gosbrook Road, Caversham, Reading	Leasehold	RG4 8BG	16/07/2025		55		592		16/07/2025		1076		06/12/2023		5909.09	548.97	325000	Flat	3		TRUE
Flat 3 1A, North Street, Caversham, Reading, Berkshire	Leasehold	RG4 8JA	06/12/2024		50						538		10/09/2024		5000	464.51	250000	Flat			TRUE
3 The Thames, Caversham Road, Caversham, Reading, Berkshire	Leasehold	RG1 8AR	08/06/2024		30						323		25/05/2017		9500	882.57	285000	Flat			TRUE
73 The Perpetua, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	19/04/2022		52		560		19/04/2022		855		14/06/2024		5383.65	500.15	279950	Flat	5		TRUE
82 The Helvetica, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	19/04/2022		66		710		19/04/2022		926		18/11/2021		5333.33	495.48	352000	Flat	5		TRUE
78 The Serif, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	19/04/2022		72		775		19/04/2022		872		09/02/2017		5034.72	467.74	362500	Flat	5		TRUE
74 The Serif, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	08/02/2022		72		775		08/02/2022		873		17/11/2020		5000	464.51	360000	Flat	5		TRUE
91 The Coronet, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	11/01/2022		48		517		11/01/2022		935		11/02/2020		5833.33	541.93	280000	Flat	5		TRUE
92 The Calisto, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	02/11/2021		56		603		02/11/2021		892		09/11/2018		5178.57	481.1	290000	Flat	4		TRUE
81 The Italic, Addison Road, Caversham, Reading, Berkshire	Leasehold	RG1 8EG	26/10/2021		54		581		26/10/2021		930		18/10/2014		5185.19	481.72	280000	Flat	5		TRUE
1bedapt-October20, Cardiff Road, Caversham, Reading, Berkshire	Freehold	RG1 8EX	06/11/2020		89		958		06/11/2020		948		15/09/2018		2921.35	271.4	260000	Flat	3		TRUE
Flat 220, Garrard House, Garrard Street, Reading, Berkshire	Leasehold	RG1 1NR	18/09/2019		30		323		18/09/2019		359		04/04/2016		6666.67	619.35	200000	Flat			TRUE

McCarthy Stone Henley (Extra Care)

Explore retirement properties at Albert Court

Filters

Property	Bedrooms	Floor	Size	Ownership type
Apartment 8 >	1	UG	51.88m ²	Sale price: £274,995
Apartment 10 >	2	UG	77.27m ²	Sale price: £349,995
Apartment 12 >	2	UG	77.27m ²	Sale price: £349,995
Apartment 16 >	1	UG	51.88m ²	Sale price: £274,995
Apartment 17 >	1	UG	48.11m ²	Rental price: £3,800 pcm
Apartment 26 >	1	1	47.38m ²	Rental price: £3,250 pcm

Showing 1-6 of 8 properties

[Back](#) 1 2 [Next](#)

Explore retirement properties at Albert Court

Filters

Property	Bedrooms	Floor	Size	Ownership type
Apartment 31 >	2	1	77.27m ²	Sale price: £349,995
Apartment 47 >	1	2	59.25m ²	Rental price: £3,900 pcm

Showing 7-8 of 8 properties

[Back](#) 1 2 [Next](#)

1/15

ALBERT COURT - NEW HOMES



£349,995

COMMUNAL GARDENS

Reading Road, Henley-On-Thames, RG9 4HE

Retirement Property 

Warm and welcoming, Apartment 12 is a beautiful apartment. This energy-efficient contemporary home is ideal for relaxed, low-...

NEW HOME [Albert Court Development >](#)

Reduced on 07/11/2025 by McCarthy Stone

 01865 537659
Local call rate

 **Contact**

 **Save**

More properties available at this development



£349,995
Retirement Property 



£349,995
Retirement Property 



£349,995
Retirement Property 



£274,995
Retirement Property 

McCarthy Stone Tadley (Retirement Living)

Explore retirement properties at Yelland Place

Filters

Property	Bedrooms	Floor	Size	Ownership type
Apartment 1 >	1	G	52m ²	Sale price: £300,000 Rental price: £2,270 pcm
Apartment 20 >	2	1	72m ²	Sale price: £380,000 Rental price: £2,945 pcm
Apartment 24 >	2	1	72m ²	Sale price: £349,000 Rental price: £2,740 pcm
Apartment 31 >	2	1	72m ²	Sale price: £399,000 Rental price: £3,065 pcm
Apartment 43 >	1	2	52m ²	Sale price: £245,000 Rental price: £1,915 pcm

1/12

YELLAND PLACE - NEW HOMES



46 New Road, Tadley, RG26

Retirement Property 

Pretty landscaped garden views! Ready for occupation now! Pets welcome, bright and contemporary apartment, modern kitchen...

NEW HOME Yelland Place Development >

Reduced on 20/05/2025 by McCarthy Stone

£245,000

COMMUNAL GARDENS

McCarthy Stone
Retirement living your way

0118 230 3012
Local call rate

 Contact

 Save

More properties available at this development



£245,000
Retirement Property 



£300,000
Retirement Property 



£349,000
Retirement Property 



£380,000
Retirement Property 

Albert Road, Caversham Heights



Beechwood Grove, Albert Road, Caversham Heights, Reading

£350,000 ⓘ

Added on 17/02/2025

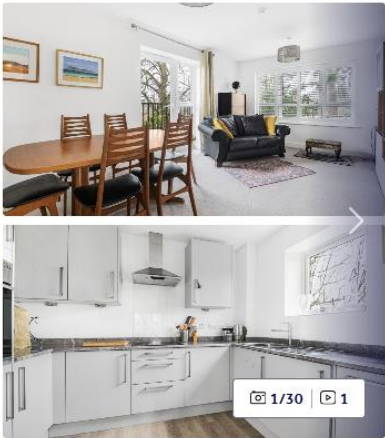
PROPERTY TYPE: Retirement Property | BEDROOMS: 2 | BATHROOMS: 1 | SIZE: Ask agent | TENURE: Ask agent ⓘ

Approximate Gross Internal Area 747 sq ft - 69 sq m



Second Floor Plan

1



1/30 | 1

MARKETED BY

Farmer & Dyer,
Caversham



No 1 Prospect Street
Caversham RG4 8JB

[More properties from this agent](#)

Call agent

Request details



Beechwood Grove, Albert Road, Caversham Heights, Reading

£234,900 ⓘ

Reduced on 03/07/2025

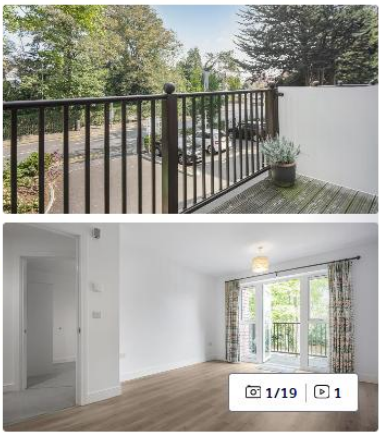
PROPERTY TYPE: Retirement Property | BEDROOMS: 1 | BATHROOMS: 1 | SIZE: Ask agent | TENURE: Ask agent ⓘ

Approximate Gross Internal Area 694 sq ft - 65 sq m



First Floor Plan

1



1/19 | 1

MARKETED BY

Farmer & Dyer,
Caversham



No 1 Prospect Street
Caversham RG4 8JB

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Request details

£/M2 STUDY

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

Last updated: 24-Jan-2026 07:57

Rebased to Reading (107; sample 33)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810. Housing, mixed developments (15)	1,743	929	1,508	1,683	1,906	4,326	1243	
810.1 Estate housing								
Generally (15)	1,711	854	1,455	1,638	1,871	5,877	1265	
Single storey (15)	1,957	1,139	1,637	1,879	2,140	5,877	198	
2-storey (15)	1,651	854	1,426	1,598	1,815	3,535	999	
3-storey (15)	1,733	1,050	1,455	1,680	1,936	3,498	63	
4-storey or above (15)	3,563	1,743	2,853	3,184	4,739	5,294	5	
810.11 Estate housing detached (15)	2,291	1,262	1,648	1,922	2,617	5,877	18	
810.12 Estate housing semi detached								
Generally (15)	1,733	998	1,471	1,680	1,892	3,795	328	
Single storey (15)	1,920	1,252	1,676	1,895	2,088	3,795	74	
2-storey (15)	1,679	998	1,458	1,611	1,856	2,913	244	
3-storey (15)	1,651	1,249	1,332	1,569	1,904	2,432	10	
810.13 Estate housing terraced								
Generally (15)	1,717	1,010	1,424	1,610	1,859	5,294	197	
Single storey (15)	1,912	1,216	1,625	1,862	2,276	2,711	14	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
2-storey (15)	1,653	1,010	1,420	1,579	1,788	3,535	155	
3-storey (15)	1,739	1,050	1,487	1,666	1,930	3,498	26	
4-storey or above (15)	5,016	4,739	-	-	-	5,294	2	
816. Flats (apartments)								
Generally (15)	2,041	1,061	1,683	1,913	2,327	6,814	724	
1-2 storey (15)	1,961	1,161	1,633	1,833	2,247	3,831	149	
3-5 storey (15)	2,009	1,061	1,673	1,896	2,280	4,167	489	
6 storey or above (15)	2,358	1,448	1,903	2,254	2,607	6,814	86	
843. Supported housing								
Generally (15)	2,220	1,098	1,792	2,045	2,488	5,292	115	
Single storey (15)	2,775	1,552	2,041	2,497	2,846	5,292	10	
2-storey (15)	2,245	1,343	1,791	2,094	2,619	3,803	37	
3-storey (15)	2,047	1,098	1,785	1,906	2,211	4,633	38	
4-storey or above (15)	2,209	1,349	1,774	2,065	2,278	4,189	27	
843.1 Supported housing with shops, restaurants or the like (15)	2,257	1,322	1,771	1,967	2,831	3,543	36	
Rehabilitation/Conversion								
810. Housing, mixed developments (20)	1,696	450	1,106	2,143	2,387	2,395	5	
810.1 Estate housing (25)	1,335	399	806	1,053	1,492	5,038	30	
810.11 Estate housing detached (30)	458	-	-	-	-	-	1	
810.12 Estate housing semi detached (25)	1,810	818	-	1,611	-	3,198	4	
810.13 Estate housing terraced (25)	1,006	637	796	1,011	1,174	1,398	8	
816. Flats (apartments)								
Generally (15)	2,137	448	1,169	1,631	2,153	7,193	73	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
1-2 storey (15)	2,938	884	1,444	1,807	3,676	7,193	14	
3-5 storey (15)	1,822	448	1,165	1,548	1,950	6,661	44	
6 storey or above (15)	2,400	694	1,122	1,628	3,641	5,967	14	
843. Supported housing (15)	1,376	233	1,068	1,643	1,837	1,941	7	

Appendix 4 – Extra Over Build Costs

Extra Over	Total	Comment
E/O Demolition	£70,000.00	Based upon quotations for clearance of buildings to facilitate development.
E/O Asbestos survey and Removal	£15,000.00	Asbestos under pre fab buildings and tennis courts.
Non-standard foundations, level and grading and cart away	£244,111.00	Additional depth, widths, steps, dewatering, earthwork support etc identified within Ground Investigation Report to facilitate large block. Bulk excavation / reduction in levels for apartment block. Cart away - Insert allowance made as advised by Ground Investigation report.
Tree protection / surgery / removal	£20,000.00	T3, T27 and T39 - Barrell Tree Care Advice
External retaining walls	£33,350.00	To enable levels to be managed.
S278 works to highway / footpath	£25,000.00	New entrance, visibility splay enablement

£407,461.00

Appendix 5 – Sales Rate Analysis

Appellant South West Division Sales Rates (from Appellant at November 2025)

Name	First Occ	Total Saleable Units	Opening Stock (June 25)	At November 25	
				Rate of Sale To Date	This year financial (since June 25)
Lymington - North Close	25/06/2018	41	5	0.4	0
Cheltenham	20/12/2018	65	21	0.52	0
Portswood	21/12/2018	73	20	0.64	0.2
Park Gate 2 Fareham	17/05/2019	46	14	0.41	0
Bagshot	04/11/2020	25	11	0.23	0
Abingdon	23/11/2020	39	4	0.57	0
Chippenham 2	22/12/2020	46	21	0.45	0.4
Farnborough	29/03/2022	42	13	0.64	0
Taunton 2	29/04/2022	72	19	1.3	0.8
Kidlington	27/06/2022	32	11	0.52	0.2
Fleet 2	30/06/2022	31	16	0.38	0.2
Calne	28/06/2023	39	23	0.6	0.4
Fareham	31/05/2024	37	25	0.68	0.2
Honiton 2	21/06/2024	57	33	1.5	0.6
Didcot	20/06/2025	33	30	0.67	0.2
Lymington 2	27/06/2025	32	31	0.5	0.4
			Average	0.625625	0.225

Appendix 6 – Empty Property Costs

Empty Property Costs Estimate								
	Caversham							
	Jan-26							
	Council Tax Calculation							
	Reading							
					Per year	Per month	no. apartments	total/mth
	1 bed apartment - Band C 2026				£ 2,210.00	£ 184.17	34	£ 6,261.67
	2 bed apartment - Band D 2026				£ 2,487.00	£ 207.25	17	£ 3,523.25
	Cottages					£ -		£ -
							51	£ 9,784.92
							Ave per unit/mth	£ 191.86
	Service Charge per annum (average)					Per month	no. apartments	total/mth
	1 bed apartment		£ 2,858.00			£ 238.17	34	£ 8,097.67
	2 bed apartment		£ 4,258.00			£ 354.83	17	£ 6,032.17
	Cottages					£ -	0	£ -
							51	£ 14,129.83
								£ 277.06
							Ave per unit/mth	
		Month	Sales Rate	Unsold Units	Service Charge	Council Tax	Total PCM	
					£ 277.06	£ 191.86		
		50% sold at 12 months	0		51			
	8	15%	1	Mth 1	43	£ 12,010.36	£ 8,317.18	£ 20,327.54
	1.4	2.73%	2	Year 1	42	£ 11,624.61	£ 8,050.05	£ 19,674.66
	1.4	2.73%	3		41	£ 11,238.87	£ 7,782.92	£ 19,021.79
	1.4	2.73%	4		39	£ 10,853.12	£ 7,515.79	£ 18,368.92
	1.4	2.73%	5		38	£ 10,467.38	£ 7,248.67	£ 17,716.05
	1.4	2.73%	6		36	£ 10,081.64	£ 6,981.54	£ 17,063.17
	1.4	2.73%	7		35	£ 9,695.89	£ 6,714.41	£ 16,410.30
	1.4	2.73%	8		34	£ 9,310.15	£ 6,447.28	£ 15,757.43
	1.4	2.73%	9		32	£ 8,924.40	£ 6,180.15	£ 15,104.56
	1.4	2.73%	10		31	£ 8,538.66	£ 5,913.03	£ 14,451.68
	1.4	2.73%	11		29	£ 8,152.91	£ 5,645.90	£ 13,798.81
	1.4	2.73%	12		28	£ 7,767.17	£ 5,378.77	£ 13,145.94
	0.9	1.80%	13		Year 2	27	£ 7,512.83	£ 10,405.28
	0.9	1.80%	14	26		£ 7,258.50	£ 10,053.02	£ 17,311.52
	0.9	1.80%	15	25		£ 7,004.16	£ 9,700.77	£ 16,704.92
	0.9	1.80%	16	24		£ 6,749.82	£ 9,348.51	£ 16,098.33
	0.9	1.80%	17	23		£ 6,495.48	£ 8,996.25	£ 15,491.74
	0.9	1.80%	18	23		£ 6,241.15	£ 8,644.00	£ 14,885.14
	0.9	1.80%	19	22		£ 5,986.81	£ 8,291.74	£ 14,278.55
	0.9	1.80%	20	21		£ 5,732.47	£ 7,939.48	£ 13,671.95
	0.9	1.80%	21	20		£ 5,478.14	£ 7,587.22	£ 13,065.36
	0.9	1.80%	22	19		£ 5,223.80	£ 7,234.97	£ 12,458.77
	0.9	1.80%	23	18		£ 4,969.46	£ 6,882.71	£ 11,852.17
0.9	1.80%	24	17	£ 4,715.13		£ 6,530.45	£ 11,245.58	
0.7	1.35%	25	Year 3	16	£ 4,524.37	£ 6,266.26	£ 10,790.63	
0.7	1.35%	26		16	£ 4,333.62	£ 6,002.07	£ 10,335.69	
0.7	1.35%	27		15	£ 4,142.87	£ 5,737.88	£ 9,880.74	
0.7	1.35%	28		14	£ 3,952.11	£ 5,473.68	£ 9,425.80	
0.7	1.35%	29		14	£ 3,761.36	£ 5,209.49	£ 8,970.85	
0.7	1.35%	30		13	£ 3,570.61	£ 4,945.30	£ 8,515.91	
0.7	1.35%	31		12	£ 3,379.86	£ 4,681.10	£ 8,060.96	
0.7	1.35%	32		12	£ 3,189.10	£ 4,416.91	£ 7,606.01	
0.7	1.35%	33		11	£ 2,998.35	£ 4,152.72	£ 7,151.07	
0.7	1.35%	34		10	£ 2,807.60	£ 3,888.53	£ 6,696.12	
0.7	1.35%	35		9	£ 2,616.85	£ 3,624.33	£ 6,241.18	
0.7	1.35%	36		9	£ 2,426.09	£ 3,360.14	£ 5,786.23	
0.7	1.35%	37	Year 4	8	£ 2,235.34	£ 3,095.95	£ 5,331.29	
0.7	1.35%	38		7	£ 2,044.59	£ 2,831.75	£ 4,876.34	
0.7	1.35%	39		7	£ 1,853.83	£ 2,567.56	£ 4,421.40	
0.7	1.35%	40		6	£ 1,663.08	£ 2,303.37	£ 3,966.45	
0.7	1.35%	41		5	£ 1,472.33	£ 2,039.18	£ 3,511.51	
0.7	1.35%	42		5	£ 1,281.58	£ 1,774.98	£ 3,056.56	
0.7	1.35%	43		4	£ 1,090.82	£ 1,510.79	£ 2,601.61	
0.7	1.35%	44		3	£ 900.07	£ 1,246.60	£ 2,146.67	
0.7	1.35%	45		3	£ 709.32	£ 982.41	£ 1,691.72	
0.7	1.35%	46		2	£ 518.56	£ 718.21	£ 1,236.78	
0.7	1.35%	47		1	£ 327.81	£ 454.02	£ 781.83	
0.7	1.35%	48		0	£ 137.06	£ 189.83	£ 326.89	
51 Totals				£ 247,970.10	£ 261,263.15	£ 509,233.24		

Appendix 7 – Argus Developer Appraisal 100% Open Market Scheme

Caversham HD (51 + 10 + 1 conversion) Jan 26

Caversham HD (51 + 10 + 1 conversion) Jan 26
Appraisal Summary for Phase 1 Retirement Housing
Currency in £
REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
1 Bed Flats RL	34	1,811.18	7,415.06	395,000	13,430,000
2 Bed Flats RL	17	1,316.65	6,714.01	520,000	8,840,000
Conversion	10	408.90	6,113.96	250,000	2,500,000
Cottage	<u>1</u>	<u>86.86</u>	<u>6,332.03</u>	<u>550,000</u>	<u>550,000</u>
Totals	62	3,623.59			25,320,000

NET REALISATION **25,320,000**
OUTLAY
ACQUISITION COSTS

Residualised Price		2,954,072	
Stamp Duty		137,204	2,954,072
Effective Stamp Duty Rate	4.64%		
Agent Fee	1.00%	29,541	
Legal Fee	0.75%	22,156	
			188,900

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
1 Bed Flats RL	2,383.45	1,882.00	4,485,644
2 Bed Flats RL	1,732.66	1,882.00	3,260,870
Conversion	617.86	1,950.00	1,204,828
Cottage	<u>86.86</u>	<u>2,387.00</u>	<u>207,335</u>
Totals	4,820.83 m²		9,158,677
Developers Contingency		5.00%	531,827
Extra Overs			407,000
Future Homes	62.00 un	2,500.00 /un	155,000
			10,252,504

Other Construction Costs

Externals	10.00%	915,868	915,868
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Municipal Costs

Empty Property Costs	509,233	509,233
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Section 106 Costs

CIL	842,078	
BNG	40,000	882,078

PROFESSIONAL FEES

Architect	10.00%	1,063,654	1,063,654
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MARKETING & LETTING

Marketing RL	3.00%	684,600	
Sales and Marketing Conversion	3.00%	75,000	759,600

DISPOSAL FEES

Sales Agent Fee		2.00%	456,400
Sales Legal Fee	62.00 un	750.00 /un	46,500
			502,900

TOTAL COSTS BEFORE FINANCE **18,028,809**
FINANCE

Timescale	Duration	Commences
Acquisition	1	Jan 2026
Pre-Construction	6	Feb 2026
Construction	20	Aug 2026
Sale	48	Apr 2028
Total Duration	75	

Debit Rate 7.50%, Credit Rate 1.00% (Nominal)	
Land	549,154

Caversham HD (51 + 10 + 1 conversion) Jan 26

Construction	751,589	
Other	926,445	
Total Finance Cost		2,227,187
TOTAL COSTS		20,255,996
PROFIT		5,064,004

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR% (without Interest)	17.53%

Appendix 8 – Assessment of Benchmark Land Value

Assessment of Benchmark Land Value

The Site

The 0.88 hectare site currently comprises of the vacant former Hemdean House School and a number of 9 ancillary buildings, together with gate lodge building currently occupied by a early years nursery.

The brick-built schoolhouse located at the western end of the site and the gate lodge building on the eastern extent of the site are proposed to be converted. All remaining buildings on site will be demolished.

The eastern side of the site comprises of playing fields and a hard play area, both of which are relatively flat. Beyond the hard play and towards the western side of the site, the site slopes up steeply towards and beyond the School House. Additionally, the western site is heavily tree-lined. Both of these heavily restrict existing development and confine any potential new development to the flatter areas to the eastern side of the site.

The former Lodge (now PlayDay Nursery) sits at the bottom (eastern) side of the site, is 1.5-storeys tall, and is locally listed. The School House sits at the top (western) side of the site, is 4-storeys tall, and is also locally listed.

The Hemdean House School closed in July 2024 and the nursery ceased operations in late 2025.

As part of the marketing of the Hemdean House School site, the applicant is advised that there was no interest from educational uses or community uses. All interest surrounded redevelopment to residential.

Allocation

Within the emerging Local Plan Update, the site subject to this application forms a housing allocation policy under CA1 (Site for development in Caversham and Emmer Green) as site 'CA1h'. The policy states 'continued education and community use of the site, or, if no longer required for education, change of use and development for residential'.

The policy sets out criteria the Council considers should be met through redevelopment of the site. Development should:

- Contribute to providing enhanced bus priority on Vastern Road exiting the northern station interchange;
- Retain those buildings that make the most significant contribution of the character of the surrounding area;
- Avoid adverse effects on important trees including those protected by TPO;
- Ensure appropriate back-to-back separation from existing residential.
- It is also noted that the site could accommodate 22-34 dwellings.

Supporting text notes at 8.3.1 that as well as contributing to meeting the identified needs of the Borough, allocation can help provide physical regeneration of sites which are in some cases vacant or underused.

In light of the above, the drive for housing within the NPPF, the lack of 5 year housing land supply and the emerging allocation policy on the site, the principle of residential

development is considered to be in accordance with policy objectives the adopted and emerging Local Plans and therefore the principle of the proposals on site are considered acceptable.

Residential Uses

The capacity of the site for non-specialist housing has been indicatively assessed within the emerging Local Plan at between 22-34 dwellings. This recognises that for a non age restricted scheme, capacity may be restricted by the site topography, the conversion elements, tree protection orders and parking requirements which will be higher for non age restricted uses in this location.

Considering the above restrictions, a general needs scheme of housing has been assessed including 16 newbuild houses (3 and 4 bedrooms) together with the conversion of the school house and former nursery as proposed as part of the planning application. This yields 27 units overall and provides an indication of alternative options against which the landowner might benchmark reasonable land value expectations.



Former Hemdean House School, Hemdean Road - Proposed Retirement Housing - Alternative Use Scheme

This scheme includes:

- Detached 4 bed house (1) at 160 m2 with garage.
- Semi-detached and terrace (3) 3 bed houses (15) at 93 m2 apiece
- The conversion of the schoolhouse – 10 1-bed units averaging 40.89 m2 apiece
- The conversion of the former nursery to a single dwelling of 86 m2.

PPG Requirements in Relation to Alternative Use Value

The PPG sets out the following in relating to considering alternative use benchmark land value.

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 59](#)

Paragraph: 018 Reference ID: 10-018-20190509

Revision date: 09 05 2019 See [previous version](#)

- It is considered that the AUV set out here fully complies with development plan policies (i.e. the forthcoming allocation for residential use) and it complies with affordable housing policy.
- The alternative use being a residential use is in line with the allocation indicative site capacity set out within the allocation text.
- The use addresses a housing need locally and assumes compliance with affordable housing policy and community infrastructure levy.
- There is market demand for housing locally.
- The site has been marketed by the owner and a range of residential providers were interested in taking for residential uses on the site against which the site owner has assessed their options in terms of disposal. Were the application scheme not to progress, it is reasonable to assume that an alternative residential scheme would come forward rather than the site remaining vacant.

The PPG sets out that the costs and values of the alternative use should be supported by evidence in order to justify the land value. The assumptions are set out within the following table.

Input/Assumption	
Mix	• Detached 4 bed house (1) at 160 m2 with garage. • Semi-detached and terrace (3) 3 bed houses (15) at 93 m2 apiece

	• The conversion of the schoolhouse – 10 1-bed units averaging 40.89 m2 apiece • The conversion of the former nurse's to a single dwelling of 86 m2.
Values	4 bed – £900,000 (£5,625 m2) Comparables Pinewood Drive Caversham Heights 156 m2 (resale) 4 bed £850,000 (£5,448 m2) Copse End Caversham 146 m2 (resale) 4 bed £800,000 (£5,480 m2) 3 beds – average £650,000 (£6,989 m2) Harrogate Road, Caversham Heights Semi detached 3 bed, 111 m2 (£679,950 or £6,125 m2) Woodcote Way, Caversham Semi detached 3 bed, 97 m2 (£650,00 or £6,700 m2) Conversion flats average 40 m2 at £250,000 apiece. Conversion cottage at 86 m2 assumed at £550,000. 30% affordable housing (8 units) assumed at 50% OMV as per Affordable Housing SPD assumptions.
Build Cost Assumptions	BCIS Estate Housing Reading - £1,687 m2 Conversion elements – upper quartile BCIS as per application submission. External Works – 15% 10% professional fees. Extra overs - £310,000 made up of Demolition - £95,000 Foundations widening - £150,000 Tree works - £20,000 Retaining walls - £20,000 S278 - £25,000 Professional Fees – 10%
Sales/Marketing	2.5% GDV for market £750 per unit legal fees.

Development Programme	18 month construction 6 months sale 7.5% borrowing costs.
S106/CIL	£242,000 (assumed £188 m2 against market floorspace minus existing occupied floorspace of 347 m2)
Profit	18.5% market 6% affordable housing
Residual Land Value	£2,623,183 Say £2,600,000

Caversham Hemdean (AUV + Con) 30% AH Jan 26

Caversham Hemdean (AUV + Con) 30% AH Jan 26
Appraisal Summary for Phase 1 AUV Houses
Currency in £
REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Large Houses (4 beds)	1	160.00	5,625.00	900,000	900,000
Smaller Houses (3 beds)	11	1,023.00	6,989.25	650,000	7,150,000
Conversion open market	6	245.34	6,113.96	250,000	1,500,000
Smaller Houses (3 beds) AH 50% OMV	4	372.00	3,494.62	325,000	1,300,000
Conversion AH (50% OMV)	4	163.56	3,056.98	125,000	500,000
Conversion cottage	<u>1</u>	<u>86.80</u>	<u>6,336.41</u>	<u>550,000</u>	<u>550,000</u>
Totals	27	2,050.70			11,900,000

NET REALISATION
11,900,000
OUTLAY
ACQUISITION COSTS

Residualised Price		2,623,183	
			2,623,183
Stamp Duty		120,659	
Effective Stamp Duty Rate	4.60%		
Agent Fee	1.00%	26,232	
Legal Fee	0.75%	19,674	
			166,565

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
Large Houses (4 beds)	160.00	1,687.00	269,920
Smaller Houses (3 beds)	1,023.00	1,687.00	1,725,801
Conversion open market	370.72	1,887.00	699,542
Smaller Houses (3 beds) AH 50% OMV	372.00	1,687.00	627,564
Conversion AH (50% OMV)	247.14	1,887.00	466,361
Conversion cottage	<u>86.80</u>	<u>2,387.00</u>	<u>207,192</u>
Totals	2,259.66 m²		3,996,379
Developers Contingency		5.00%	251,367
Extra Overs			310,000
Future Homes	27.00 un	4,500.00 /un	121,500
			4,679,246

Other Construction Costs

Externals	15.00%	599,457	599,457
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Section 106 Costs

CIL		243,000	243,000
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PROFESSIONAL FEES

Architect	10.00%	502,734	502,734
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MARKETING & LETTING

Marketing	2.00%	202,000	202,000
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DISPOSAL FEES

Sales Agent Fee		1.00%	101,000
Sales Legal Fee	27.00 un	750.00 /un	20,250
			121,250

MISCELLANEOUS FEES

Profit Private		18.50%	1,868,500
Profit AH		6.00%	78,000
			1,946,500

TOTAL COSTS BEFORE FINANCE
11,083,934
FINANCE

Timescale	Duration	Commences
Acquisition	1	Jan 2026
Pre-Construction	6	Feb 2026
Construction	18	Aug 2026
Sale	6	Feb 2028

Caversham Hemdean (AUV + Con) 30% AH Jan 26

Total Duration	31		
Debit Rate 7.50%, Credit Rate 1.00% (Nominal)			
Land		447,226	
Construction		325,048	
Other		43,791	
Total Finance Cost			816,066
TOTAL COSTS			11,900,000
PROFIT			0
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
IRR% (without Interest)	7.26%		