



FINANCIAL VIABILITY APPRAISAL

in respect of
64 Kings Road, Reading
on behalf of
Povey Properties Ltd

20 August 2025

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EXECUTIVE SUMMARY

The Site:

The site is located off 64 Kings Road and currently comprises a restaurant and associated adjoining dwelling.

Consented Scheme:

This FVA follows the application, due to be submitted shortly, for the conversion of the existing restaurant and associated dwelling to 6 no. flats.

RCA's Assessment of Scheme:

Item	Policy-Compliant Conversion Scheme	Conversion Scheme (Contributions removed)
GROSS DEVELOPMENT VALUE	£2,060,000	£2,060,000
Development Costs	£1,989,862	£1,983,115
Affordable Housing Contribution	£206,000	-
Site Acquisition Costs	£0	£1,359
GROSS DEVELOPMENT COST	£2,195,862	£1,984,474
RESIDUAL LAND VALUE	-£135,862	£75,526

Benchmark Land Value: - £1,045,200

Developer Return: - 17.5% on Open Market GDV

Scheme Viability:

Our assessment of the proposed scheme concludes that there is no financial headroom for the scheme to provide any contributions towards the off-site provision of affordable housing, or any S106 contributions.

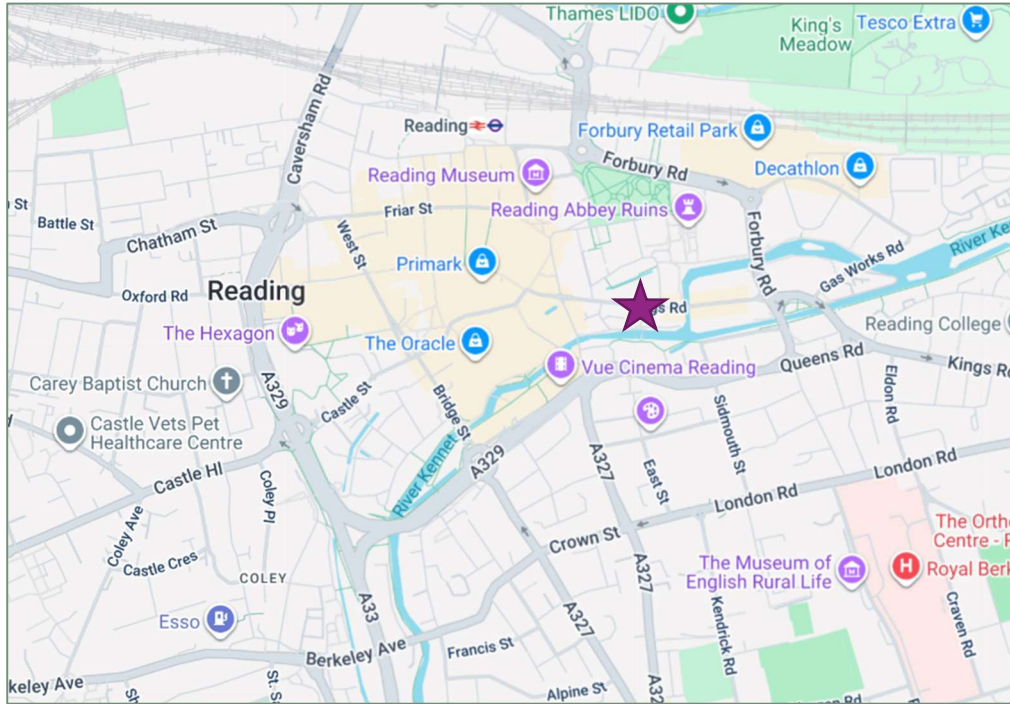
1. INTRODUCTION

- 1.1. RCA Regeneration Limited (RCA) has been instructed by Povey Properties Ltd (the client) to undertake a Financial Viability Appraisal (FVA) in respect of the proposed development at 64 Kings Road, Reading (the site).
- 1.2. This FVA is prepared in respect of the proposal for development of the site for a 6-unit residential scheme.
- 1.3. To fulfil the purpose of the FVA, the remainder of this report is structured as follows:
 - **Section 2** – A brief review of the application site;
 - **Section 3** – A review of the proposed planning application;
 - **Section 4** – A review of the policy context;
 - **Section 5** – An assessment of market values and Gross Development Value;
 - **Section 6** – An assessment of development costs;
 - **Section 7** – An assessment of the financial viability of the proposed scheme; and
 - **Section 8** – Conclusions and recommendations emanating from the above in respect of the financial viability of the proposed development having regard to the RLV produced by the development and the BLV for the development site.
- 1.4. In accordance with PS 1.6 of the RICS Valuation – Professional Standards (January 2025 Edition) (the 'Red Book'), the provisions set out within VPS1 to VPS6 are not of mandatory application. Accordingly, this report should not be relied upon as a Red Book valuation.
- 1.5. In accordance with Paragraph 2.1 of the Financial viability in planning: conduct and reporting (1st edition, May 2019), when carrying out this FVA, we have acted with objectivity; impartially; without interference; and with reference to all appropriate available sources of information.
- 1.6. In accordance with Paragraph 2.2 of the Financial viability in planning: conduct and reporting (1st edition, May 2019), we can confirm that there are no conflicts of interest.
- 1.7. In accordance with Paragraph 2.3 of the Financial viability in planning: conduct and reporting (1st edition, May 2019), when preparing this report, no performance-related or contingent fees have been agreed.
- 1.8. In accordance with Paragraph 20 of the PPG under Viability and Plan Making this FVA has been prepared by a suitably qualified and experienced Chartered Surveyor and seeks to set out the assumptions and findings of the FVA in a clear and concise manner. Should the decision maker struggle to interpret the findings of this report in any way, please do not hesitate to get in touch for further clarification.

2. THE SITE

2.1. The site is located on Kings Road, Reading.

Figure 1: Site Location Plan



(Source: Google Maps, 2025)

- 2.2. The proposed development site is currently in use as a restaurant, known as The Coconut Tree. There is a flat adjoining the restaurant, and both units are occupied by the same tenant. The restaurant's frontage lies on Kings Road, Reading.
- 2.3. Reading is a town in Berkshire and is considered a popular commuter town to London. There are a number of services and amenities you would expect to find in a town of its size. There are multiple pubs, eateries, as well as several supermarkets and medical facilities. The Oracle is a popular shopping centre located within the centre of Reading, close to the site. There are multiple educational facilities within and surrounding Reading. Green Park is a suburb located to the south of Reading, comprising newly developed business parks and more than 1,300 new homes.
- 2.4. The site is well connected to nearby major roads. The M4 (J11) is situated approximately 3 miles south of the site, and connects to Wokingham to the east, Slough to the north-east and then to Heathrow Airport. The M4 connects to the A34 to the west, and further on to Swindon and to Bristol.
- 2.5. The site comprises a restaurant, known as The Coconut Tree, and an associated dwelling. We are aware that the existing restaurant totals 400 SqM, and the existing dwelling totals approximately 90 SqM. The external covered entrance/walkway totals 19 SqM. The site is flanked by retail units, with flats situated over 3 storeys above the restaurant. The River Kennet lies just south of the site. The site is accessed via Kings Road, along its northern frontage.

3. PLANNING APPLICATION

Planning History

- 3.1. An application is due to be submitted for the conversion of the existing restaurant and dwelling, into 6 no. flats.
- 3.2. The Proposed Plans are attached at Appendix A to this report.

Table 1: Schedule of Accommodation

Unit	No.	SqM	Storage Area (SqM)	Total SqM
1 Bed Apartment (LG-C)	1	56.20	11.07	67.27
2 Bed Apartment (G-2)	1	70.35	-	70.35
2 Bed Apartment (G-1)	1	72.61	-	72.61
1 Bed Apartment (LG-B)	1	61.08	11.60	72.68
1 Bed Apartment (LG-A)	1	50.50	24.59	75.09
2 Bed Apartment (G-3)	1	77.40	-	77.40
TOTAL	6			435
Circulation		39.00	-	39.00
SCHEME TOTAL				474.00

- 3.3. The consented scheme amounts to a Gross Internal Area (GIA) of 474 SqM (5,105 SqFt).

4. POLICY CONTEXT

National Context

- 4.1. The National Planning Policy Framework was adopted by the Government in March 2012, superseding all Planning Policy Statements and Guidance Notes that came before it. The Framework was introduced to help simplify the planning process and to ensure that a presumption in favour of sustainable development is carried through into all planning policy decisions and applications.
- 4.2. On 24 July 2018, the Ministry of Housing, Communities and Local Government (MHCLG) (formerly the Department for Communities and Local Government) published the revised National Planning Policy Framework (the 2018 Framework), which implemented around 85 reforms some of which were previously announced through the Housing White Paper.
- 4.3. The 2018 Framework was again updated in February 2019 with a few amendments. The key ones being on housing supply and how it is calculated, the definition of deliverable and appropriate assessments on habitats.
- 4.4. The NPPF was updated again in July 2021, in September 2023 and again in December 2023 with some further amendments. The NPPF was most recently updated in December 2024.
- 4.5. In terms of housing, a key aspect of the 2021 Framework is to significantly boost the supply of homes (Paragraph 61) and that Local Authorities should reflect; the size, type and tenure of housing needed for different groups in the community in planning policy (Paragraph 63).
- 4.6. To ensure that the needs of groups with specific housing requirements are addressed, the Framework states at Paragraph 64:

“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required), and expect it to be met on-site unless:

- a) Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- b) The agreed approach contributes to the objective of creating mixed and balanced communities”.*

- 4.7. Whilst the presumption in favour of sustainable development seeks to provide for mixed communities, sites should be assessed on their individual merits. Not all sites can be financially viable to provide for affordable housing and S106 developer contributions. This is acknowledged at paragraph 59 of the Framework, which states:

“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available.”

4.8. Following the adoption of the 2018 Framework, the MHCLG prepared the Planning Practice Guidance (PPG), an online resource providing detailed explanations to be read in conjunction with the Framework. On 24 July 2018, in conjunction with the issue of the revised 2018 Framework, the PPG was extensively updated. On 20 July 2021, further updates have been made to a number of paragraphs.

4.9. Building upon Paragraph 59 of the 2021 Framework, Paragraph 7 of the PPG under 'Viability' states:

"Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Policy compliant in decision making means that the development fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies."

Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force."

4.10. As part of these updates to the PPG, significant alterations were made in respect of the Government's guidance on land value, and how this ought to be treated in respect of viability assessments. Paragraph 13 states:

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

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

4.11. To provide further clarification on the above, Paragraph 14 of the PPG goes on to define the manner in which a benchmark land value ought to be assessed:

"Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes) and*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.*

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value

but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels as set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement)."

4.12. The above makes it clear, in no uncertain terms, that the price paid for a development site will not be justification for non-compliance with affordable housing policies. It is, therefore, imperative that as part of any financial viability assessment an up-to-date and independent assessment of the benchmark land value is undertaken.

4.13. In doing so, assessment of a benchmark land value should use the EUV as a starting point, as identified in Paragraph 15:

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

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence."

4.14. Consideration should then be given to any required premiums to incentivise a willing landowner to release their land to arrive at an EUV+. Paragraph 16 states:

"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 landowner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional

judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transaction can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of the land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement)."

- 4.15. The PPG also identifies that alternative use value (AUV) can be used to establish a benchmark land value Paragraph 17 states:

"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 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 used has not be 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."

- 4.16. In summary, assessment of a benchmark land value may consider EUV, EUV+, market-based evidence (comparable transactions), and AUV. Due to the variations in approach to assessing a benchmark land value, it is often a contentious part of any financial viability assessment, and careful consideration ought to be taken when making assumptions on land value.

Local Context

- 4.17. For the purposes of this development, planning policy is contained within the Reading Borough Local Plan, adopted in November 2019. A review of the local plan was undertaken in March 2023, and a need to carry out a partial update was identified. The Partial Update was submitted to the Secretary of State in May 2025.

- 4.18. Policy H3 of the Local Plan covers affordable housing and states that:

"Residential development will make appropriate contribution towards affordable housing to meet the needs of Reading

- on sites of 10 or more dwellings, 30% of the total dwellings will be in the form of affordable housing;*

- on sites of 5 – 9 dwellings, a financial contribution will be made that will enable the equivalent of 20% of the housing to be provided as affordable housing elsewhere in the Borough; and
- on sites of 1 – 4 dwellings, a financial contribution will be made that will enable the equivalent of 10% of the housing to be provided as affordable housing elsewhere in the Borough.”

4.19. The Affordable Housing SPD (adopted March 2021) 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. Sites in a single ownership should not be artificially sub-divided to reduce the level of financial contribution required.”

4.20. The policy goes on to state 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 1-4 dwellings, where the contribution required by policy H3 is 10%, this will equate to 5% of GDV of the development;*
- *For sites of 5-9 dwellings, where the contribution required by policy H3 is 20%, this will equate to 10% of the GDV of the development; and*
- *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.*

For the avoidance of doubt, for mixed use developments, where the ‘development’ is referred to above, this means the new dwellings.”

4.21. As such, the proposed development is required to provide an off-site financial contribution which equates to 10% of the GDV. We are aware that the applicant is required to provide two independent valuations of the scheme’s Gross Development Value, however for the purposes of this viability assessment, we have calculated the potential contribution using our assessed GDV.

4.22. The applicant is accountable for the generation of the ultimate contribution amount, though we are of the opinion that our Gross Development Value is fair and reasonable and therefore provides a useful indication of the potential contribution which may be sought. We have assessed this contribution to be £206,000.

Viability Context

4.23. In undertaking this assessment of the financial viability of the scheme and producing this report, we have had regard to the Royal Institution of Chartered Surveyors (‘RICS’) Professional Statement ‘Financial viability in planning: conduct and reporting’, 1st edition, May 2019, which took effect on 01 September 2019. In addition to this professional statement, the RICS has produced a 1st Edition

Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' (published in March 2021, effective from 1 July 2021), to reflect the changes in the NPPF 2018, as updated in February 2019, and PPG 2018, as updated in May 2019. A further update of the NPPF was published in July 2021.

- 4.24. The primary policy and guidance on assessing viability in a planning context is provided in the 2021 Framework and the PPG 2019. These have sought to change the emphasis on how viability should be approached in the planning system and the weight that should be given to viability assessments at the plan-making and development management stages.

5. MARKET ASSESSMENT

- 5.1. We have carried out a market assessment, using Landstack to assess the value of the units, retrieving achieved sale prices within a 2km radius of the site, sold since Q2 2024. Our search returned 1 new build and 81 re-sale transactions.
- 5.2. We considered the indexed £ per SqM rates in determining the values for the subject units. The indexed rate is an adjusted rate based on the achieved £ per SqM rate with the Land Registry House Price Index (HPI) applied to bring it in line with current day values. Some comparables were discarded as they were not reflective of the general trend in Market Value. We made any necessary adjustments to determine the Market Values for the subject units.
- 5.3. We have assessed comparable new build flats for sale within Reading. We have also undertaken a further in-depth analysis of the results returned by Landstack. All comparable evidence is included at Appendix B to this report.
- 5.4. We have considered that a discount to the new build properties for sale should be considered, given that the for-sale prices are aspirational and may be negotiated. The search returned varying sales values, and it is evident that the units for sale at the Green Park development return a significant premium, given that they are luxury apartments, some with lake views, and serve as an ideal commuter settlement to London. The units for sale are within purpose-built, flatted developments, with high specification fittings, as well as parking spaces. Some units also contain balconies, and many contain resident's gyms and workspaces, as well as a concierge. It would be unreasonable to assume that the units at the subject site could return values near to these comparable properties, as the scope to include these additional amenities is limited.
- 5.5. We have utilised the above evidence and have applied a value of £4,843/SqM (£450/SqFt) to the proposed units.
- 5.6. On that basis, we have calculated the following Gross Development Value (GDV) for the scheme.

Table 2: Gross Development Value – Policy Compliant New Build Scheme

Unit	No.	SqM	Market Value
1 Bed Apartment (LG-C)	1	56.20	£320,000
2 Bed Apartment (G-2)	1	70.35	£335,000
2 Bed Apartment (G-1)	1	72.61	£345,000
1 Bed Apartment (LG-B)	1	61.08	£345,000
1 Bed Apartment (LG-A)	1	50.50	£355,000
2 Bed Apartment (G-3)	1	77.40	£360,000
GROSS DEVELOPMENT VALUE			£2,060,000

- 5.7. We have calculated a GDV for the scheme of **£2,060,000**.

6. DEVELOPMENT COSTS

Methodology

- 6.1. Below sets out the cost assumptions we have adopted in our appraisals. We have undertaken the appraisal adopting the Residual Land Value (RLV) approach, determining what value is generated for the land based upon the development proposal to be delivered.
- 6.2. The RLV is determined by calculating the GDV of a development proposal and then deducting all other development costs to arrive at a figure which is available for land acquisition. Where this figure is below the Benchmark Land Value (BLV), it can reasonably be assumed that a development proposal cannot afford to provide any affordable housing or pay any planning obligations.

Residual Appraisal – Policy-Compliant Conversion Scheme

Build Costs

- 6.3. To calculate the total build cost, we have utilised BCIS build costs, as there is no cost plan associated with the scheme.
- 6.4. We have applied the Upper Quartile cost for conversion of flats, which has been rebased to Reading, and totals £2,761/SqM. Given that this is a very small scheme, it is unlikely that it will benefit from any cost economies of scale. Smaller sites are at a cost disadvantage, as materials are not acquired in bulk, and therefore it is likely that any developer would be paying full price. The BCIS indicate that building costs will increase by 14% over the next 5 years, with tender prices rising 15% over the same period, according to their forecast dated July 2025.
- 6.5. The total build cost is £1,202,139. We have not included a cost for the circulation areas as the stairwells are in-situ.

External Works

- 6.6. We would typically expect costs associated with external works to lie between 10-20% of build costs. The lower end of this scale may be associated with flatted developments or brownfield land, whereas we may expect additional external works to be associated with greenfield schemes, at an approximate rate of 15% on build costs.
- 6.7. Though, we expect that a lesser amount of external works will be associated with this scheme, given its urban location. We are also not aware of any associated parking for the development site. We have therefore applied a rate of 5% on build costs. Our external works costs total £60,107.

Abnormal Costs

- 6.8. We are not aware of any abnormal costs due to the scheme.

Contingency

- 6.9. We have applied a rate of 3% on build and external works costs, therefore our contingency cost totals £37,867.
- 6.10. This is at the lower end of the 3-5% allowance typically adopted. We are not aware of any abnormal works costs due to the scheme, which may boost contingency.

Professional Fees

- 6.11. It is expected that a rate of 6%–10% on build, externals and abnormals costs (if known) can be applied for professional fees.
- 6.12. We have applied a rate of 9%, given that the scheme is unlikely to benefit from economies of scale, as it comprises just 6 no. units.
- 6.13. Our professional fees total £113,602.

Planning Obligations

- 6.14. Reading Borough Council have adopted a CIL charge schedule. The current CIL charge for residential developments is £183.96/SqM. We have calculated CIL on the total area of the development less the floor area of the existing residential dwelling. Thus, we are only including for CIL on the area which will undergo a change of use.
- 6.15. We have included circulation space within our calculation of CIL. We have calculated CIL on 385 SqM of floorspace. CIL therefore totals £70,749.
- 6.16. As aforementioned, we have included for off-site affordable housing provision, calculated at 10% of the total GDV. We have calculated this contribution to be £206,000.

Marketing & Disposal Fees

- 6.17. We have included the following marketing and disposal fees:
- Marketing Fees @ 1.5% on GDV, totalling £30,900
 - Disposal Fees - Sales Agent @ 1.5% on GDV, totalling £30,900
 - Disposal Fees - Sales Legal @ £750 per unit, totalling £4,500
- 6.18. Marketing and disposal fees total £66,300.

Finance

- 6.19. We have assumed a 100% debt-financed scheme at a rate of 7.5% on debt which amounts to a sum of £78,597. For borrowing on a development of this size, we would expect finance at 7.5-8%. We have adopted these assumptions and used the following development programme:
- | | |
|---------------------------|-----------------------|
| • Site Purchase | - Month 1 (1 month) |
| • Pre-construction Period | - Month 1 (3 months) |
| • Construction Period | - Month 4 (12 months) |
| • Marketing & Disposal | - Month 14 (6 months) |

Profit

- 6.20. We have allowed for a developer's return of 17.5% on the market GDV which equates to £360,500.
- 6.21. The PPG suggests that profit should be included at 15-20% of GDV, dependent upon risk and scale of development. Given the small size of the scheme, the level of profit we have adopted is deemed appropriate.

Site Acquisition Cost

- 6.22. The site acquisition costs are calculated on the basis of the RLV. Our costs are:
- Stamp Duty (Standard Calculation) - £0 (below threshold)

- Agent's Fees (1%) - £0 (negative RLV)
- Legal Fees (0.8%) - £0 (negative RLV)

6.23. Our site acquisition fees total £0.

Gross Development Cost

6.24. Based upon the costs stated above, we have calculated a Gross Development Cost (GDC) for the Policy-Compliant Scheme of £2,195,862.

Residual Land Value

6.25. Based upon the revenues and costs stated above, we have calculated an RLV for the Policy-Compliant Scheme of **-£135,862**. A copy of our residual appraisal is attached at Appendix C to this report.

Residual Appraisal – Conversion Scheme without Off-Site AH Contributions

6.26. We have completed an appraisal of the scheme, removing the potential contribution towards off-site affordable housing provision, to assess whether any contributions could be afforded, and at what level.

6.27. We have adopted the same assumptions as above. We have included site acquisition costs, as the RLV will exceed £0. We have included agents' fees at 1% of RLV, and legal fees at 0.8% of RLV, totalling £1,359.

6.28. We have calculated a total development cost for the scheme of £1,984,474 and have therefore calculated an **RLV of £75,526**. Our appraisal is attached at Appendix D to this report.

6.29. As shown below, have calculated a **BLV of £1,045,200** and therefore it is evident that the scheme **cannot viably afford the off-site contributions or any additional S106 contributions**.

7. VIABILITY ASSESSMENT

Appraisals Summary

- 7.1. Based upon the above results, we have outlined figures from our appraisals in the table below.

Table 3: Summary of Residual Land Value Appraisal

Item	Policy-Compliant Conversion Scheme	Conversion Scheme (no off-site AH contribution)
GROSS DEVELOPMENT VALUE		
Open Market	£2,060,000	£2,060,000
GROSS DEVELOPMENT VALUE	£2,060,000	£2,060,000
GROSS DEVELOPMENT COST		
Build Costs	£1,202,139	£1,202,139
External Works	£60,107	£60,107
Contingency	£37,867	£37,867
Professional Fees	£113,602	£113,602
Planning Obligations	£276,749	£70,749
Marketing & Disposal Fees	£66,300	£66,300
Finance	£78,597	£71,850
Profit	£360,500	£360,500
Site Acquisition Costs	£0	£1,359
GROSS DEVELOPMENT COST	£2,195,862	£1,984,474
RESIDUAL LAND VALUE	-£135,862	£75,526

Benchmark Land Value

- 7.2. The Benchmark Land Value (BLV) is based either on the site's Existing Use Value (EUV), plus a premium to incentivise the landowner to sell (EUV+), or an Alternative Use Value (AUV). We set out our assessment of the BLV below.

Existing Use Value Plus (EUV+)

- 7.3. The site, in its existing use, comprises a restaurant and associated dwelling. The floor area of both units totals 489.53 SqM (5,266 SqFt). We have assessed the BLV in two parts; first, considering the existing restaurant, and secondly considering the associated dwelling.

EUV- Existing Restaurant

- 7.4. We have sourced lease details for the existing restaurant (CoStar), which we have attached at Appendix E to this report. The leased area is 4,252 SqFt and is rented for £55,000 per annum at £12.94/SqFt. The lease started on 15/10/2021, running for a term of 15 years, ending on 15/10/2036. The unexpired term is approximately 11 years and 2 months.
- 7.5. We have utilised the term and reversion valuation method to calculate the Capital Value of the restaurant space. We have calculated the 'term' value by multiplying the current rent per annum by the Years Purchase Single Rate of 0.94. We have generated a value for the term of £51,871.

- 7.6. We have applied a new annual rent as the point of lease expiry of £17 per SqFt. We are aware that the lease is due to expire in 11 years, and it would be difficult to predict the rental income at this point in the future, therefore we have made a judgement based upon properties currently available to rent, attached at Appendix F, plus CoStar forecasted rental increases within the hospitality sector over the next 5 years.
- 7.7. We have calculated a new rent per annum of £72,284. We have deferred the Years Purchase in perpetuity by the unexpired term, applying a reversionary yield of 6.5%. We increased the yield by 0.5% from the term to account for risks associated with re-letting the space. We have calculated a value for the 'reversion' of £549,305.
- 7.8. Our gross calculation is £601,176. Less purchasers' costs, we have calculated a Net Value of £566,307 (say £566,000). This equates to £133/SqFt over the leased floor area.
- 7.9. The RICS Guidance Note titled Valuation of Development Property 1st Edition dated October 2019 provides in para. 2.3.4 that "*Best practice avoids reliance on a single approach or method of assessing the value of development property*". It is, therefore, pertinent to consider a benchmarking mechanism for the above EUV+ figure.
- 7.10. We have undertaken a search of retail/hospitality properties sold within Reading over the last 2 years. We have found one useful comparable transaction, at 70-72 Broad Street. The property was sold for £203.31/SqFt. CoStar details that this property is a 3-star retail storefront and is in a heavy footfall area. If the unit is in a desirable location, then a premium is likely to be included within its sale price. The comparable property is in a more central location, surrounded by other retail and amenity facilities, compared to the subject property.
- 7.11. Therefore, we are of the opinion that the £/SqFt of £133 is reasonable given the location and nature of the subject site. We have applied an EUV of £566,000 for the restaurant unit.

EUV- Existing Dwelling

- 7.12. To generate the existing use (taken to be the Market Value) of the existing dwelling, we have utilised our Landstack market assessment. We have not had sight of the existing dwelling, though we have made the assumption that it remains in good condition.
- 7.13. With reference to our market assessment, we have considered that a re-sale flat of 90 SqM, in this location, could achieve around £3,402/SqM. Therefore, we have assigned a value of £305,000 to the unit.

EUV+

- 7.14. Viability guidance indicates that a premium should be applied as an incentive for a landowner to sell the site. Typically, a premium of 20% can be applied to brownfield sites as a reasonable incentive.
- 7.15. We have applied the premium as shown above to the EUV of both the restaurant and dwelling.
- 7.16. We have therefore assigned an EUV+, and therefore a **BLV of £1,045,200.**

Sensitivity Analysis

- 7.17. In accordance with Paragraph 2.9 of the Financial Viability in Planning: conduct and reporting (1st edition, May 2019), we have prepared a sensitivity analysis of the scheme, considering the impact of adjustments to the GDV and GDC of the development scheme on the Residual Land Value. This

exercise allows us to stand-back to apply a comprehensive assessment of the overall residential development.

7.18. We have assessed the sensitivity of the Policy-Compliant Scheme on the basis of the GDC and GDV, we have not assessed it on the basis on variations to build costs.

7.19. The table below demonstrates our sensitivity analysis in respect of the appraisal:

Table 4: Sensitivity Analysis

GROSS DEVELOPMENT VALUE	GROSS DEVELOPMENT COST					
		-10%	-5%	0%	+5%	+10%
		£1,976,276	£2,086,069	£2,195,862	£2,305,655	£2,415,448
	-10%	-£122,276	-£232,069	-£341,862	-£451,655	-£561,448
	£1,854,000					
	-5%	-£19,276	-£129,069	-£238,862	-£348,655	-£458,448
	£1,957,000					
GROSS DEVELOPMENT VALUE	0%	£83,724	-£26,069	-£135,862	-£245,655	-£355,448
	£2,060,000					
	+5%	£186,724	£76,931	-£32,862	-£142,655	-£252,448
	£2,163,000					
	+10%	£289,724	£179,931	£70,138	-£39,655	-£149,448
	£2,266,000					

7.20. It is evident that there is no scenario in which the RLV will exceed the BLV of £1,045,200. We have also considered the appraisal which excludes any contributions to ascertain whether there is any scenario in which the RLV is greater than the BLV, thus contributions could be afforded.

Table 5: Sensitivity Analysis

GROSS DEVELOPMENT VALUE	GROSS DEVELOPMENT COST					
		-10%	-5%	0%	+5%	+10%
		£1,784,804	£1,883,959	£1,983,115	£2,082,271	£2,181,427
	-10%	£69,197	-£29,959	-£129,115	-£228,271	-£327,427
	£1,854,000					
	-5%	£172,197	£73,041	-£26,115	-£125,271	-£224,427
	£1,957,000					
GROSS DEVELOPMENT VALUE	0%	£275,197	£176,041	£76,885	-£22,271	-£121,427
	£2,060,000					
	+5%	£378,197	£279,041	£179,885	£80,729	-£18,427
	£2,163,000					
	+10%	£481,197	£382,041	£282,885	£183,729	£84,574
	£2,266,000					

7.21. The analysis shows that there is no scenario in which the scheme could become viable to support the provision of any contributions.

7.22. We are also of the opinion that the costs to the scheme are unlikely to decrease given that there are increasing risks to developers. BCIS indicates that build costs will increase by 14% over the next 5 years, and tender prices will increase by 15% over this time period. Therefore, the viability position is more likely to worsen over time.

Viability

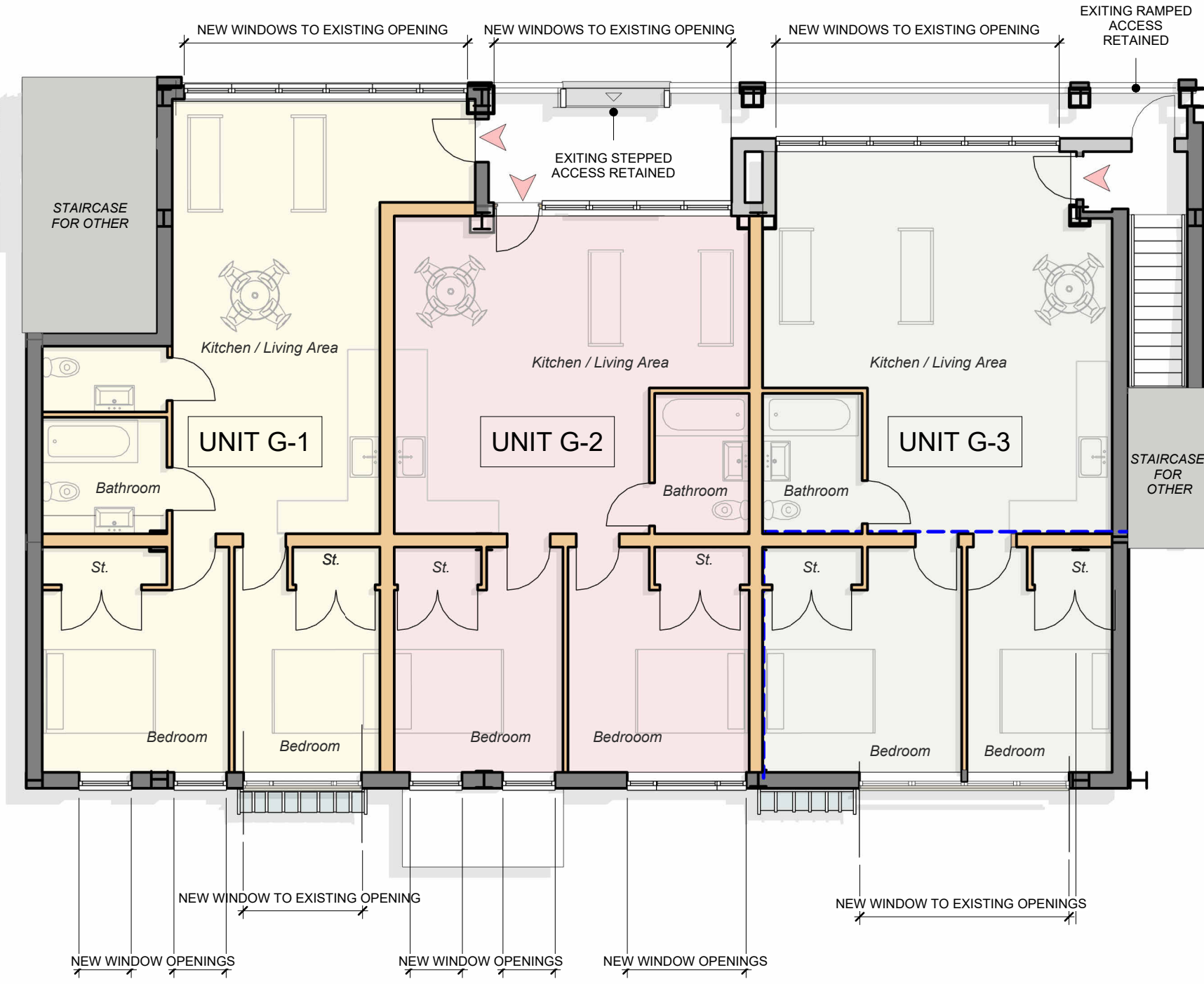
- 7.23. Adopting a BLV of £1,045,200, it is evident that the proposed scheme is not viable on a policy-compliant basis given that the RLV is approximately £1,181,000 less than the BLV. On that basis, we have concluded that it is not viable for the scheme to provide a policy-compliant level of off-site affordable housing contributions.
- 7.24. We have, undertaken an appraisal which removes the obligation to provide an off-site affordable housing contribution, to ascertain whether the scheme could afford a portion of the potential contribution, and to what extent. It is evident that the scheme remains unviable.
- 7.25. **Therefore, we have concluded that there is no financial headroom for the scheme to provide any contributions towards off-site affordable housing, or any additional S106 contributions which may be sought by the Council.**

8. CONCLUSION

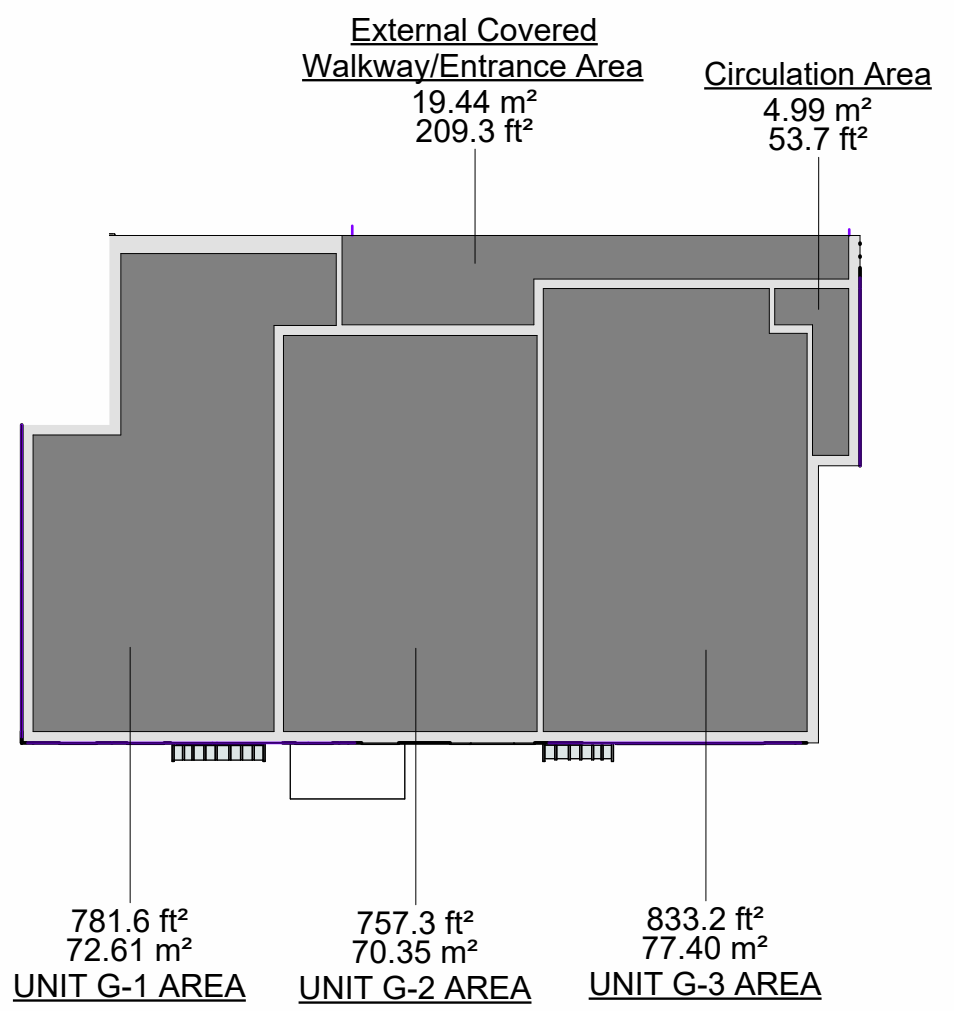
- 8.1. This viability assessment has considered the proposed application for the construction of a 6-unit scheme at 64 Kings Road, Reading.
- 8.2. We undertook a detailed assessment of the Gross Development Value and calculated a GDV of £2,060,000 for the conversion scheme. Reviewing the development as a whole, we have calculated a Residual Land Value of -£135,862.
- 8.3. We have established a Benchmark Land Value for the site of £1,045,200.
- 8.4. It is evident that the RLV falls significantly below the BLV, even when the potential contribution towards the off-site provision of affordable housing is removed.
- 8.5. We have, therefore, concluded that there is no financial headroom for the scheme to afford to provide any affordable housing or other potential S106 contributions.

APPENDIX A: PROPOSED PLANS

MC
JULY 24



Ground Floor - 3 Units
1 : 100



Ground Floor - Areas
1 : 200

PRELIMINARY ISSUE

PROPOSED GROUND FLOORPLAN

- 3 UNITS

MATHEWSON WATERS ARCHITECTS

The Old Surgery
Crowle Road · Lambourn
Berkshire · RG17 8NR

As indicated @ A3

enquiries@matthewsonwaters.co.uk
01380 721884

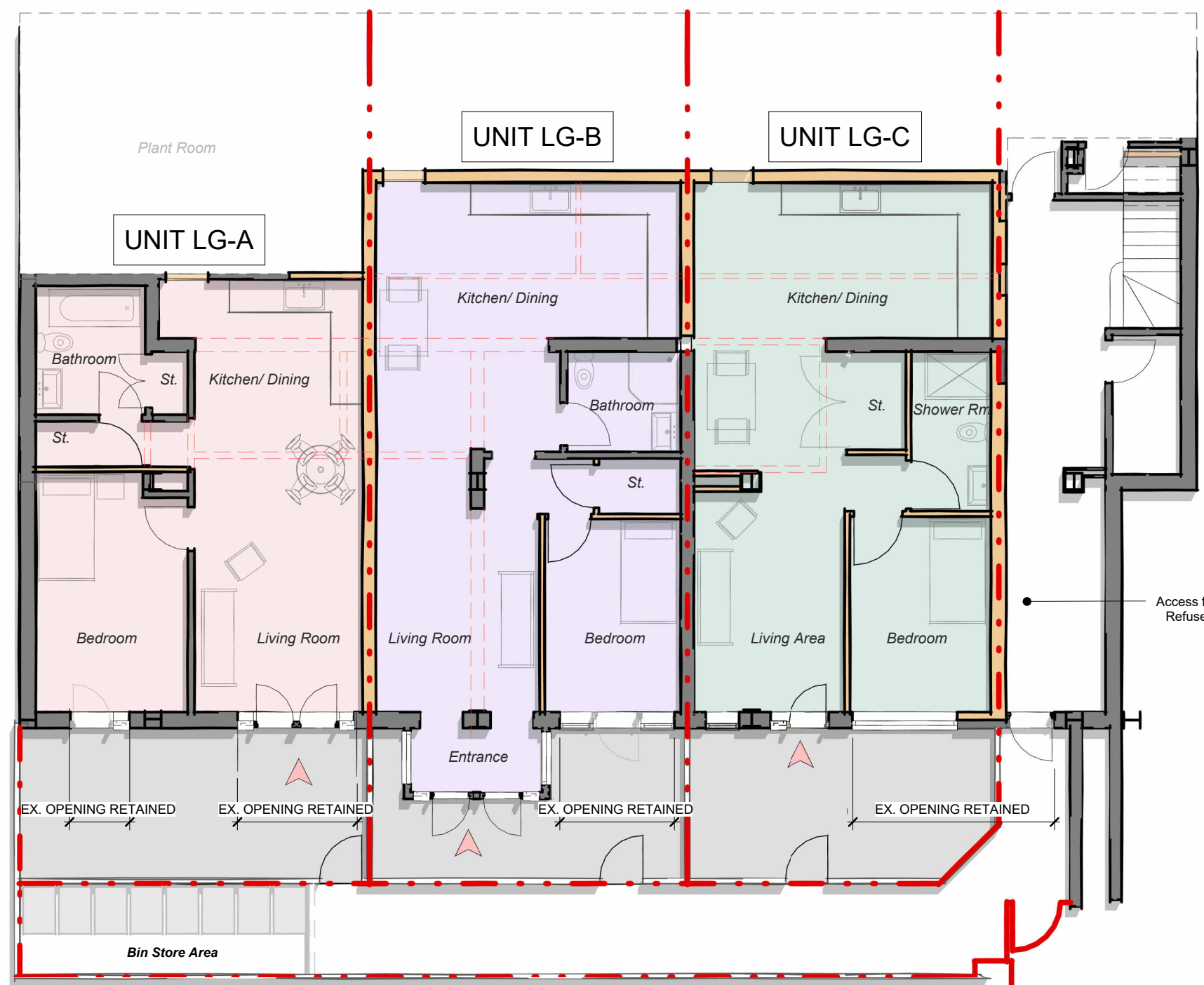
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01546 728892

www.mwarchitects.co.uk

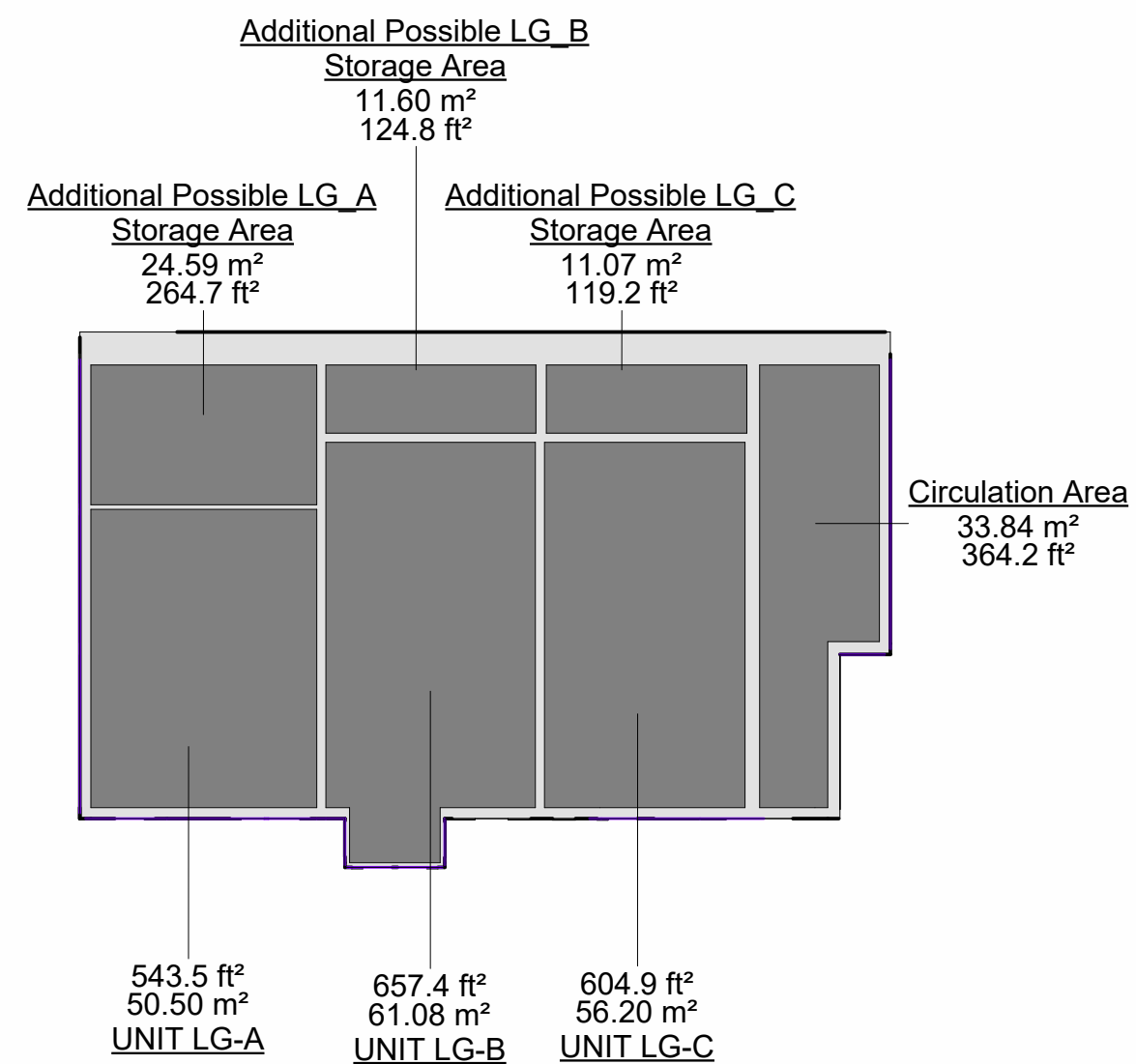
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MC
JULY 25



Lower Ground Floor Plan - 3 Units
1 : 100



Lower Ground Floor - Areas
1 : 200



APPENDIX B: MARKET ASSESSMENT

Comparable Transactions: New Build and Resale Properties sold within 2km of the site, Since Q2 2024

Address		Street	Town/City	Post Code	SqM	SqFt	Sale Price	£/SqM	£/SqFt	Indexed £/qM	Indexed £/SqFt	Transaction Date	Building Type	New Build	
VERTO, 120		FLAT 1103	KINGS ROAD	READING	RG1 3FS	131.92	1420	£675,000	£5,116.65	£475.35	£5,056.45	£469.76	19/07/2024	Flat	Yes
48		ABBOTSMOAD PLACE	READING	RG4 8BB	61.97	667	£195,000	£3,146.87	£292.35	£3,146.83	£292.35	04/04/2025	Flat	No	
48		ABBOTSMOAD PLACE	READING	RG4 8BB	61.97	667	£195,000	£3,146.87	£292.35	£3,146.83	£292.35	04/04/2025	Flat	No	
25	FLAT 1	KINGS ROAD	READING	RG1 3AR	61.97	667	£285,000	£4,599.27	£427.29	£4,590.05	£426.43	17/03/2025	Flat	No	
3	FLAT 2	NEWARK STREET	READING	RG1 2SR	62.99	678	£329,000	£5,223.20	£485.25	£5,219.20	£484.88	15/08/2024	Flat	No	
SHELLEY COURT, 46	FLAT 33	LONDON ROAD	READING	RG1 5DG	62.99	678	£300,000	£4,762.79	£442.48	£4,945.26	£459.43	28/10/2024	Flat	No	
LUSCINIA VIEW	184	NAPIER ROAD	READING	RG1 8AG	62.99	678	£254,000	£4,032.50	£374.63	£4,029.36	£374.34	30/08/2024	Flat	No	
LUSCINIA VIEW	184	NAPIER ROAD	READING	RG1 8AG	62.99	678	£254,000	£4,032.50	£374.63	£4,029.36	£374.34	30/08/2024	Flat	No	
118	FLAT 14	CHATHAM STREET	READING	RG1 7HT	62.99	678	£210,000	£3,333.95	£309.73	£3,461.67	£321.60	29/10/2024	Flat	No	
118	FLAT 14	CHATHAM STREET	READING	RG1 7HT	62.99	678	£210,000	£3,333.95	£309.73	£3,461.67	£321.60	29/10/2024	Flat	No	
KINGS OAK COURT	FLAT 15	QUEENS ROAD	READING	RG1 4PX	62.99	678	£250,000	£3,968.99	£368.73	£4,032.38	£374.62	03/02/2025	Flat	No	
20	FLAT 24	CARRAWAY STREET	READING	RG1 3FZ	62.99	678	£365,000	£5,794.73	£538.35	£5,887.21	£546.94	24/02/2025	Flat	No	
3		BARON COURT	READING	RG30 2BP	63.92	688	£240,000	£3,754.85	£348.84	£3,747.35	£348.14	21/03/2025	Flat	No	
22		ABBOTSMOAD PLACE	READING	RG4 8BB	63.92	688	£275,000	£4,302.44	£399.71	£4,315.57	£400.93	26/06/2024	Flat	No	
HONISTER, 20	FLAT 501	ALFRED STREET	READING	RG1 7AH	63.92	688	£310,000	£4,850.02	£450.58	£4,850.00	£450.58	07/05/2025	Flat	No	
HONISTER, 20	FLAT 501	ALFRED STREET	READING	RG1 7AH	63.92	688	£310,000	£4,850.02	£450.58	£4,850.00	£450.58	07/05/2025	Flat	No	
MILWARD COURT	FLAT 37	WARWICK ROAD	READING	RG2 7BG	63.92	688	£130,000	£2,033.88	£188.95	£2,066.35	£191.97	04/02/2025	Flat	No	
MILWARD COURT	FLAT 37	WARWICK ROAD	READING	RG2 7BG	63.92	688	£130,000	£2,033.88	£188.95	£2,066.35	£191.97	04/02/2025	Flat	No	
MILWARD COURT	FLAT 35	WARWICK ROAD	READING	RG2 7BG	63.92	688	£140,000	£2,190.33	£203.49	£2,197.02	£204.11	19/06/2024	Flat	No	
119	FLAT 7	ORTS ROAD	READING	RG1 3JN	64.94	699	£243,000	£3,741.96	£347.64	£3,885.34	£360.96	11/10/2024	Flat	No	
VALERIE COURT	3	BATH ROAD	READING	RG1 6HP	64.94	699	£215,000	£3,310.79	£307.58	£3,390.20	£314.96	06/11/2024	Flat	No	
VALERIE COURT	3	BATH ROAD	READING	RG1 6HP	64.94	699	£215,000	£3,310.79	£307.58	£3,390.20	£314.96	06/11/2024	Flat	No	
4	FLAT 21	PALMER STREET	READING	RG1 3GY	64.94	699	£358,000	£5,512.85	£512.16	£5,501.87	£511.14	31/03/2025	Flat	No	
3		BLAKES QUAY	READING	RG1 3EW	65.96	710	£275,000	£4,169.12	£387.32	£4,160.79	£386.55	14/03/2025	Flat	No	
3		BLAKES QUAY	READING	RG1 3EW	65.96	710	£275,000	£4,169.12	£387.32	£4,160.79	£386.55	14/03/2025	Flat	No	
4	FLAT 67	PALMER STREET	READING	RG1 3GY	65.96	710	£435,000	£6,594.79	£612.68	£6,848.54	£636.25	12/04/2024	Flat	No	
4	FLAT 67	PALMER STREET	READING	RG1 3GY	65.96	710	£435,000	£6,594.79	£612.68	£6,848.54	£636.25	12/04/2024	Flat	No	
31		ABBOTSMOAD PLACE	READING	RG4 8BB	65.96	710	£307,500	£4,661.83	£433.10	£4,652.48	£432.23	21/03/2025	Flat	No	
25	FLAT 14	CARRAWAY STREET	READING	RG1 3GQ	66.98	721	£397,500	£5,934.33	£551.32	£6,161.69	£572.44	16/10/2024	Flat	No	
20	FLAT 37	KENNET STREET	READING	RG1 4AQ	67.91	731	£400,000	£5,889.96	£547.20	£6,002.49	£557.65	09/05/2024	Flat	No	
WOODVILLE COURT	FLAT 7	ST SAVIOURS ROAD	READING	RG1 6DZ	67.91	731	£250,000	£3,681.23	£342.00	£3,637.99	£337.98	22/07/2024	Flat	No	
WOODVILLE COURT	FLAT 7	ST SAVIOURS ROAD	READING	RG1 6DZ	67.91	731	£250,000	£3,681.23	£342.00	£3,637.99	£337.98	22/07/2024	Flat	No	
1	FLAT 7	ROBERT PARKER ROAD	READING	RG1 3FJ	67.91	731	£312,500	£4,601.53	£427.50	£4,598.02	£427.17	19/08/2024	Flat	No	
LUSCINIA VIEW	63	NAPIER ROAD	READING	RG1 8AE	68.93	742	£300,000	£4,351.99	£404.31	£4,519.44	£419.87	02/04/2024	Flat	No	
9		SIDMOUTH STREET	READING	RG1 4QX	68.93	742	£262,500	£3,807.99	£353.77	£3,882.76	£360.72	06/09/2024	Flat	No	
9		SIDMOUTH STREET	READING	RG1 4QX	68.93	742	£262,500	£3,807.99	£353.77	£3,882.76	£360.72	06/09/2024	Flat	No	
20		HIEATT CLOSE	READING	RG1 2QH	68.93	742	£230,000	£3,336.52	£309.97	£3,389.77	£314.92	03/02/2025	Flat	No	
8	FLAT 14	OSCAR WILDE ROAD	READING	RG1 3FH	69.96	753	£300,000	£4,288.41	£398.41	£4,391.24	£407.96	26/11/2024	Flat	No	
8	FLAT 31	OSCAR WILDE ROAD	READING	RG1 3FH	69.96	753	£301,000	£4,302.71	£399.73	£4,468.21	£415.11	16/04/2024	Flat	No	
KINGS OAK COURT	FLAT 27	QUEENS ROAD	READING	RG1 4PX	69.96	753	£240,000	£3,430.73	£318.73	£3,471.58	£322.52	31/01/2025	Flat	No	
KINGS OAK COURT	FLAT 27	QUEENS ROAD	READING	RG1 4PX	69.96	753	£240,000	£3,430.73	£318.73	£3,471.58	£322.52	31/01/2025	Flat	No	
SHERWOOD HOUSE	FLAT 14	REMBRANDT WAY	READING	RG1 6QY	69.96	753	£208,500	£2,980.45	£276.89	£3,037.36	£282.18	07/05/2024	Flat	No	
CASTLE GATE, 114	FLAT 11	CASTLE STREET	READING	RG1 7QB	69.96	753	£231,000	£3,302.08	£306.77	£3,341.33	£310.42	06/01/2025	Flat	No	
THE CHATHAM	3	THORN WALK	READING	RG1 7BJ	69.96	753	£300,000	£4,288.41	£398.41	£4,279.84	£397.61	03/03/2025	Flat	No	
MAYFLOWER COURT	13	HIGHBRIDGE WHARF	READING	RG1 3AJ	69.96	753	£280,000	£4,002.52	£371.85	£3,955.41	£367.47	12/07/2024	Flat	No	
ELDON LODGE, 196 - 200	FLAT 4	KINGS ROAD	READING	RG1 4NH	70.98	764	£350,000	£4,931.11	£458.12	£5,120.82	£475.74	05/04/2024	Flat	No	
6	FLAT 35	OSCAR WILDE ROAD	READING	RG1 3FG	70.98	764	£288,000	£4,057.60	£376.96	£4,049.49	£376.21	20/03/2025	Flat	No	
ALL SAINTS GARDENS, 52	FLAT 9	TILEHURST ROAD	READING	RG1 7TS	70.98	764	£306,500	£4,318.24	£401.18	£4,267.46	£396.46	19/07/2024	Flat	No	
CRAYSHAW COURT	FLAT 35	ABBOTSMOAD PLACE	READING	RG4 8EQ	72.00	775	£300,000	£4,166.67	£387.10	£4,163.48	£386.80	21/08/2024	Flat	No	
CRAYSHAW COURT	FLAT 35	ABBOTSMOAD PLACE	READING	RG4 8EQ	72.00	775	£300,000	£4,166.67	£387.10	£4,163.48	£386.80	21/08/2024	Flat	No	
28		BLAKES QUAY	READING	RG1 3EN	72.00	775	£302,500	£4,201.40	£390.32	£4,281.67	£397.78	31/05/2024	Flat	No	
28		BLAKES QUAY	READING	RG1 3EN	72.00	775	£302,500	£4,201.40	£390.32	£4,281.67	£397.78	31/05/2024	Flat	No	
UPCROSS HOUSE	FLAT 29	UPCROSS GARDENS	READING	RG1 6PN	72.93	785	£317,500	£4,353.56	£404.46	£4,344.85	£403.65	21/03/2025	Flat	No	
10		AUBURN COURT	READING	RG4 7AJ	73.95	796	£290,000	£3,921.53	£364.32	£4,015.58	£373.06	18/11/2024	Flat	No	

PETWORTH COURT	31	BATH ROAD	READING	RG1 6PH	73.95	796	£237,000	£3,204.83	£297.74	£3,204.85	£297.74	28/04/2025	Flat	No
PETWORTH COURT	31	BATH ROAD	READING	RG1 6PH	73.95	796	£237,000	£3,204.83	£297.74	£3,204.85	£297.74	28/04/2025	Flat	No
RIVERSIDE VIEW, 5 - 9	FLAT 67	BERKELEY AVENUE	READING	RG1 6FH	73.95	796	£368,000	£4,976.28	£462.31	£4,966.36	£461.39	14/03/2025	Flat	No
THE MERIDIAN	110	KENAVON DRIVE	READING	RG1 3DP	74.97	807	£85,500	£1,140.41	£105.95	£1,138.18	£105.74	28/03/2025	Flat	No
CRAYSHAW COURT	FLAT 33	ABBOTSMOOR PLACE	READING	RG4 8EQ	74.97	807	£275,000	£3,668.00	£340.77	£3,660.70	£340.09	28/03/2025	Flat	No
THE MERIDIAN	110	KENAVON DRIVE	READING	RG1 3DP	74.97	807	£85,500	£1,140.41	£105.95	£1,138.18	£105.74	28/03/2025	Flat	No
CRAYSHAW COURT	FLAT 33	ABBOTSMOOR PLACE	READING	RG4 8EQ	74.97	807	£275,000	£3,668.00	£340.77	£3,660.70	£340.09	28/03/2025	Flat	No
16		ROYAL COURT	READING	RG1 4AE	75.99	818	£161,000	£2,118.57	£196.82	£2,143.74	£199.16	23/01/2025	Flat	No
VERTO, 120	FLAT 901	KINGS ROAD	READING	RG1 3FS	76.92	828	£452,000	£5,875.95	£545.89	£5,988.29	£556.33	31/05/2024	Flat	No
PRIORY COURT, 1	FLAT 16	PRIORY AVENUE	READING	RG4 7SN	77.95	839	£141,000	£1,808.95	£168.06	£1,805.32	£167.72	28/03/2025	Flat	No
VALERIE COURT	18	BATH ROAD	READING	RG1 6HP	77.95	839	£228,500	£2,931.53	£272.35	£2,966.43	£275.59	31/01/2025	Flat	No
VALERIE COURT	18	BATH ROAD	READING	RG1 6HP	77.95	839	£228,500	£2,931.53	£272.35	£2,966.43	£275.59	31/01/2025	Flat	No
VERTO, 120	FLAT 306	KINGS ROAD	READING	RG1 3FR	77.95	839	£375,000	£4,811.04	£446.96	£4,926.43	£457.68	25/11/2024	Flat	No
8	FLAT 21	OSCAR WILDE ROAD	READING	RG1 3FH	78.97	850	£295,000	£3,735.71	£347.06	£3,728.19	£346.36	31/03/2025	Flat	No
8	FLAT 21	OSCAR WILDE ROAD	READING	RG1 3FH	78.97	850	£295,000	£3,735.71	£347.06	£3,728.19	£346.36	31/03/2025	Flat	No
6	FLAT 22	OSCAR WILDE ROAD	READING	RG1 3FG	78.97	850	£320,000	£4,052.30	£376.47	£4,004.61	£372.04	03/07/2024	Flat	No
31A		PROSPECT STREET	READING	RG4 8JB	79.99	861	£220,000	£2,750.36	£255.52	£2,748.24	£255.32	07/08/2024	Flat	No
COX HOLLOW	12	SOUTHCOTE ROAD	READING	RG30 2LA	80.92	871	£235,000	£2,904.15	£269.80	£2,898.40	£269.27	21/03/2025	Flat	No
2		BASINGSTOKE ROAD	READING	RG2 0EL	81.94	882	£180,000	£2,196.72	£204.08	£2,170.87	£201.68	08/07/2024	Flat	No
2		BASINGSTOKE ROAD	READING	RG2 0EL	81.94	882	£180,000	£2,196.72	£204.08	£2,170.87	£201.68	08/07/2024	Flat	No
2	FLAT 6	ROBERT PARKER ROAD	READING	RG1 3FN	81.94	882	£370,000	£4,515.47	£419.50	£4,512.02	£419.18	02/08/2024	Flat	No
62	FLAT 4	TILEHURST ROAD	READING	RG30 2JH	84.91	914	£270,000	£3,179.71	£295.40	£3,255.98	£302.49	29/11/2024	Flat	No
RIVERSIDE VIEW, 5 - 9	FLAT 60	BERKELEY AVENUE	READING	RG1 6FF	85.94	925	£285,000	£3,316.45	£308.11	£3,369.43	£313.03	26/02/2025	Flat	No
ALEXANDRA HOUSE, 169 - 171	FLAT 2	KINGS ROAD	READING	RG1 4EJ	85.94	925	£295,000	£3,432.81	£318.92	£3,425.94	£318.28	07/03/2025	Flat	No
119	FLAT 8	ORTS ROAD	READING	RG1 3JN	87.98	947	£265,000	£3,012.08	£279.83	£3,021.32	£280.69	21/06/2024	Flat	No
25	FLAT 3	KINGS ROAD	READING	RG1 3AR	91.97	990	£320,000	£3,479.24	£323.23	£3,489.88	£324.22	14/06/2024	Flat	No
QUEENS WHARF, 47	10	QUEENS ROAD	READING	RG1 4QE	110.00	1184	£405,000	£3,681.91	£342.06	£3,674.58	£341.38	28/03/2025	Flat	No
127		LONDON ROAD	READING	RG1 5DD	114.55	1233	£433,000	£3,780.03	£351.18	£3,925.49	£364.69	30/04/2024	Flat	No

New Build Flats for Sale in Reading

Address	Beds	SqM	SqFt	Price	£/SqM	£/SqFt	Notes
Dee Road, Tilehurst	1	52.77	568	£257,500	£4,879.77	£453.35	At Bellway, Watchmans Place development, west of Reading, with good transport links. Part of larger flatted building.
Green Park Village and Bankside Gardens, 50 Flagstaff Road	2	60.57	652	£415,000	£6,851.26	£636.50	2nd Floor, private balcony, 1 allocated PS, concierge, Co-working studio, gym and cinema room. Green Park station on site, connecting to London, waterfront apartment south of town.
40 Caversham Road, Reading	2	65.03	700	£357,500	£5,497.28	£510.71	Allocated parking at additional cost, high spec apartment, 999 year lease, good commuter location for London.
Caversham Road, Reading	2	67.54	727	£380,000	£5,626.25	£522.70	1 double bedroom, open plan, with balcony, large purpose built apartment complex known as Carters Court (Bellway), high spec development.
Green Park Village and Bankside Gardens, 50 Flagstaff Road	2	77.85	838	£580,000	£7,449.96	£692.12	5th Floor, private balcony, 1 allocated PS, concierge, Co-working studio, gym and cinema room. Green Park station on site, connecting to London, waterfront apartment south of town.

Analysis of Resale Transactions

Address	SqM	SqFt	Price	Indexed £/SqM	Indexed £/SqFt	Sold Date	Notes
Flat 7, 1 Robert Parker Road	67.91	731.00	£312,500	£4,598	£427	19/08/2024	Near to the subject site, purpose built flatted development, looks to be high spec with a balcony. Allocated parking space.
63 Luscinia View, RG1 8AE	68.93	742.00	£300,000	£4,598	£427	19/08/2024	Ensuite and family bathrooms, close to station, 2 double beds, Juliette balcony.
Flat 31, 8 Oscar Wilde Road	69.96	753.00	£301,000	£4,468	£415	16/04/2024	Overlooking railway, 2 double bedrooms, wraparound balcony, central location, purpose built flatted development, high spec.
3, The Chatham, Thorn Walk	69.96	753.00	£300,000	£4,280	£398	03/03/2025	1 Bedroom, small double bedroom with balcony, within house share.
Flat 29, Upcross House	72.93	785.00	£317,500	£4,345	£404	21/03/2025	Allocated parking, private terrace, 2 bedroom, close to centre.

Flat 22, 6 Oscar Wilde Road	78.97	850.00	£320,000	£4,005	£372	03/07/2024	2 west facing balconies, open plan, 2x double bedrooms, modern flatted development. Close to train station.
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APPENDIX C: RLV APPRAISAL – POLICY-COMPLIANT SCHEME

CLIENT :		Povey Properties											
JOB :		64 Kings Road, Reading											
REF :		01097a-1-D											
Notes :		A residual appraisal for a 6- unit Policy- Compliant scheme.				START DATE		Aug-25					
OUTLAY						TOTAL							
Build Cost		No.	GIA	GIA	Cost	Cost							
Open Market Units:		Units	Sq M	Sq Ft	Sq M	Sq Ft							
1 Bed Apartment (LG-A)		1	67.27	724	£2,761	£256.51	£	185,732	Nov-25	Oct-26			
1 Bed Apartment (LG-B)		1	70.35	757	£2,761	£256.51	£	194,236	Nov-25	Oct-26			
1 Bed Apartment (LG-C)		1	72.61	782	£2,761	£256.51	£	200,476	Nov-25	Oct-26			
2 Bed Apartment (G-1)		1	72.68	782	£2,761	£256.51	£	200,669	Nov-25	Oct-26			
2 Bed Apartment (G-2)		1	75.09	808	£2,761	£256.51	£	207,323	Nov-25	Oct-26			
2 Bed Apartment (G-3)		1	77.40	833	£2,761	£256.51	£	213,701	Nov-25	Oct-26			
6 units							£	1,202,139					
External Works					@	5.00%	£	60,107	Nov-25	Oct-26			
Abnormal Costs									Aug-25	Jan-26			
							£	-					
Contingency					@	3.00%	£	37,867	Nov-25	Oct-26			
Professional Fees					@	9.00%	£	113,602	Aug-25	Oct-26			
Planning Obligations							£	206,000	Aug-25	Jul-26			
Off-Site AH Provision					@		£	70,749	Aug-25	Jul-26			
Community Infrastructure Levy					@	£183.96	£	276,749					
Marketing Fees (Market)					@	1.50%	£	30,900	Sep-26	Feb-27			
Disposal Fees					@								
Sales Agent Fee (Market)					@	1.50%	£	30,900	Sep-26	Feb-27			
Sales Legal Fee (Market)					@	£750	£	4,500	Sep-26	Feb-27			
							£	35,400					
TOTAL COST							£	1,756,765					
REVENUE						TOTAL							
Units		No.	NSA	NSA	Value	Value							
		Units	Sq M	Sq Ft	Sq M	Sq Ft							
Open Market Units:													
1 Bed Apartment (LG-A)		1	67.27	724.09	£5,277	£490.27	£	355,000	Sep-26	Feb-27			
1 Bed Apartment (LG-B)		1	70.35	757.24	£4,904	£455.60	£	345,000	Sep-26	Feb-27			
1 Bed Apartment (LG-C)		1	72.61	781.57	£4,407	£409.43	£	320,000	Sep-26	Feb-27			
2 Bed Apartment (G-1)		1	72.68	782.32	£4,747	£441.00	£	345,000	Sep-26	Feb-27			
2 Bed Apartment (G-2)		1	75.09	808.26	£4,461	£414.47	£	335,000	Sep-26	Feb-27			
2 Bed Apartment (G-3)		1	77.40	833.13	£4,651	£432.11	£	360,000	Sep-26	Feb-27			
6 units							£	2,060,000					
GROSS DEVELOPMENT VALUE							£	2,060,000					
Interest		on debt			@	7.50%	£	78,597					
		on accruals			@	0.00%	£	-					
							£	78,597					
Profit on Value		Market				17.50%	£	360,500					
							£	360,500					
Total Development Cost							£	2,195,862					
Total Income							£	2,060,000					
Site Costs					@	0.00%			Aug-25	Aug-25			
Stamp Duty					@	1.00%			Aug-25	Aug-25			
Agents Fees					@	0.80%			Aug-25	Aug-25			
Legal Fees													
Residual Land Value							-£	135,862	Aug-25	Aug-25			
Total Development Cost incl. Site							£	2,060,000					
Surplus/(Deficit)							£	-					



APPENDIX D: RLV APPRAISAL – MARKET SCHEME WITHOUT CONTRIBUTIONS

CLIENT :		Povey Properties											
JOB :		64 Kings Road, Reading											
REF :		01097a-1-D											
Notes :		A residual appraisal for a 6- unit Policy- Compliant scheme.				START DATE		Aug-25					
OUTLAY						TOTAL							
Build Cost		No.	GIA	GIA	Cost	Cost							
Open Market Units:		Units	Sq M	Sq Ft	Sq M	Sq Ft							
1 Bed Apartment (LG-A)		1	67.27	724	£2,761	£256.51	£	185,732	Nov-25	Oct-26			
1 Bed Apartment (LG-B)		1	70.35	757	£2,761	£256.51	£	194,236	Nov-25	Oct-26			
1 Bed Apartment (LG-C)		1	72.61	782	£2,761	£256.51	£	200,476	Nov-25	Oct-26			
2 Bed Apartment (G-1)		1	72.68	782	£2,761	£256.51	£	200,669	Nov-25	Oct-26			
2 Bed Apartment (G-2)		1	75.09	808	£2,761	£256.51	£	207,323	Nov-25	Oct-26			
2 Bed Apartment (G-3)		1	77.40	833	£2,761	£256.51	£	213,701	Nov-25	Oct-26			
6 units							£	1,202,139					
External Works					@	5.00%	£	60,107	Nov-25	Oct-26			
Abnormal Costs									Aug-25	Jan-26			
							£	-					
Contingency					@	3.00%	£	37,867	Nov-25	Oct-26			
Professional Fees					@	9.00%	£	113,602	Aug-25	Oct-26			
Planning Obligations									Aug-25	Jul-26			
Off-Site AH Provision					@	£183.96	£	70,749	Aug-25	Jul-26			
Community Infrastructure Levy							£	70,749					
Marketing Fees (Market)					@	1.50%	£	30,900	Sep-26	Feb-27			
Disposal Fees													
Sales Agent Fee (Market)					@	1.50%	£	30,900	Sep-26	Feb-27			
Sales Legal Fee (Market)					@	£750	£	4,500	Sep-26	Feb-27			
							£	35,400					
TOTAL COST							£	1,550,765					
REVENUE						TOTAL							
Units		No.	NSA	NSA	Value	Value							
		Units	Sq M	Sq Ft	Sq M	Sq Ft							
Open Market Units:													
1 Bed Apartment (LG-A)		1	67.27	724.09	£5,277	£490.27	£	355,000	Sep-26	Feb-27			
1 Bed Apartment (LG-B)		1	70.35	757.24	£4,904	£455.60	£	345,000	Sep-26	Feb-27			
1 Bed Apartment (LG-C)		1	72.61	781.57	£4,407	£409.43	£	320,000	Sep-26	Feb-27			
2 Bed Apartment (G-1)		1	72.68	782.32	£4,747	£441.00	£	345,000	Sep-26	Feb-27			
2 Bed Apartment (G-2)		1	75.09	808.26	£4,461	£414.47	£	335,000	Sep-26	Feb-27			
2 Bed Apartment (G-3)		1	77.40	833.13	£4,651	£432.11	£	360,000	Sep-26	Feb-27			
6 units							£	2,060,000					
GROSS DEVELOPMENT VALUE							£	2,060,000					
Interest		on debt			@	7.50%	£	71,850					
		on accruals			@	0.00%	£	-					
							£	71,850					
Profit on Value		Market				17.50%	£	360,500					
							£	360,500					
Total Development Cost							£	1,983,115					
Total Income							£	2,060,000					
Site Costs													
Stamp Duty					@	0.00%			Aug-25	Aug-25			
Agents Fees					@	1.00%	£	755	Aug-25	Aug-25			
Legal Fees					@	0.80%	£	604	Aug-25	Aug-25			
							£	1,359					
Residual Land Value							£	75,526	Aug-25	Aug-25			
Total Development Cost incl. Site							£	2,060,000					
Surplus/(Deficit)							£	-					

APPENDIX E: COSTAR LEASE DETAILS

64-73 Kings Rd - Zizzi



Storefront Retail - Reading Submarket	9,500 Sq ft NIA	0.25 ac Lot	1923 Built
Reading Berkshire RG1 3BJ			

Lease Terms

Area Leased	4,252 Sq ft	Sign Date	31 Aug 2021
Space Use	Retail	Start Date	15 Oct 2021
Lease Type	Direct	Move-In Date	15 Oct 2021
Deal Type	New Lease	Term	15 Yrs
Lease Status	Executed	Expiry date	15 Oct 2036
		On Market	10 Mos
Rent	£67,989 PA	Service Type	FRI
Achieved Rent	£55,000 PA		
Rent Discount	19.11%		

Space Details

Floor	GRND	Build-Out	Restaurants &...
Main Sales	2,852 SF	Build-Out Status	Full Build-Out
		Condition	Excellent
		EPC Rating	E
		Use Class	E (Commercial...)
		Space Position	In-Line
Space Features	Air Conditioning, CCTV (Closed Circuit Television Monitoring), Central Heating, Kitchen, Recessed Lighting, Secure Storage, Security System, Shower Facilities		

Documents



1

Tenant

Name	The Coconut Tree Limited		
Industry	Retailer		
Location Type	Single Location	Company Type	Private
Location Count	1	HQ	Reading
Total Occupied	4,252 Sq ft		
Avg Location Size	4,252 Sq ft		

Building

Type	2 Star Retail Storefront
Location	CBD
NIA	9,500 Sq ft
Floors	4
Typical Floor	2,800 Sq ft
Class	B
Construction	Masonry
Year Built	1923
CoStar Est. Rent	£16 - 20/Sq ft (Retail)

Leasing Rep Contacts



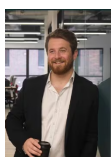
Hicks Baker

10-14 Duke St
Reading Berkshire RG1...
United Kingdom
0118 959 6144 (p)
0118 959 5373 (f)
www.hicksbaker.co.uk



Fiona Brownfoot

Director - Agency (Retail and Leisure)
0118 959 6144 (p)
07770 470214 (m)
f.brownfoot@hicksbaker.co.uk



Harry Gornall-King

Associate Director - Agency (Business Space)
0118 955 7075 (p)
07738 104806 (m)
h.gornall-king@hicksbaker.co.uk

Landlord Contacts

AZZURRIGROUP

Azzurri Group

Capital House
25 Chapel St
London LND NW1 5DH
United Kingdom
020 7535 4050 (p)
www.azzurrigroup.co.uk

Tenant Rep Contacts



Fleurets

20-22 Bedford Row
London WC1R 4EB
United Kingdom
020 7280 4700 (p)
020 7636 7490 (f)
www.fleurets.com

Tenant Contacts

The Coconut Tree Limited

Zizzi
64-73 Kings Rd
Reading Berkshire RG1 3BJ
United Kingdom

Tenant Lease History

Move Date	Activity	+/- Area Trans	Area Occupied	Address
Oct 2021	Move In	+4,252 Sq ft	4,252 Sq ft	Zizzi, 64-73 Kings Rd, Reading

Space Availability at Lease

Floor	Address	Use	Type	Sq ft Avail	Flr Contig	Bldg Contig	Rent
P GRND		Retail	Direct	4,252	4,252	4,252	£68,C

Sources

Sources
Third Party - Landlord Rep

Created Date 15 Sept 2...
Last Updated 16 Oct 2021
Last Updated By CoStar Staff
Lease Comp ID 192489211



Imane Hallali
Research Consultant
020 3205 4535 X4735 (p)
ihallali@costar.co.uk



Primary Photo



Building Photo



Other



APPENDIX F: RESTAURANT UNIT COMPARABLES

Properties Available to Lease within Reading

Address	Area (SqFt)	Rent (pa)	Rent (£/SqFt)	Notes
142-143 Friar St	3500	£45,000	£12.86	2 Star Retail Storefront, built in 1900, arranged over 3 floors, looks to be a little dated.
84 Broad Street	3790	£100,000	£26.39	High footfall area, built 1910, 3 Star Retail Storefront, 3 storey mid terraced.
97-98 Broad Street	2791	£175,000	£62.70	3 Star Retail Storefront. Built 1910, prime location.

Properties Sold in Reading the last 2 years

Address	Area (SqFt)	Sold Price	£/SqFt	Notes
70-72 Broad Street	3566	£725,000	£203.31	Limited information, though heavy footfall area, described by CoStar as 3 Star Retail Storefront.