



10 Castle Street, Reading, Berkshire RG1 7RD

Reading Borough Council

Financial Viability Assessment on behalf of Mr A. Hayward

October 2021

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1. Executive Summary

- 1.1. Grimshaw Consulting Limited ('GCL') is instructed by Mr A Hayward, ("the Applicant") to prepare a financial viability assessment of a development proposal with a total GIA of 12,906 sqft (1,199 sqm) and comprising the refurbishment and conversion of an existing 5-storey commercial building to provide a restaurant / takeaway with a GIA of 107.8 sqm (1,160 sqft) at basement and ground floor levels and 4 No. residential apartments at ground, first, second & third floor levels at 10 Castle Street, Reading RG1 7RD ('the Property' or "application site").
- 1.2. A planning application has been submitted to Reading Borough Council ("the Council") and this report considers the following matters, to inform the planning application process: -

Whether the provision of a payment in lieu of on-site affordable housing (in accordance with Local Plan Policy H3) is financially viable within the context of site-specific cost and revenue estimates, Community Infrastructure Levy and planning obligation contributions, and the need to provide a reasonable level of return for both the landowner and developer.

- 1.3. The Council requires a Payment in Lieu of on-site affordable housing for developments providing between 1 and 4 residential dwellings, which equates to 5.00% of Gross Development Value derived from the residential element of the proposal.
- 1.4. We have assessed the Viability Benchmark of the Property on the basis of the existing use as Class E restaurant with ancillary Class B8 storage and our opinion of a reasonable Viability Benchmark is **£488,000 (rounded)**. Our assessment of the Residual Land Value of the proposed development is £202,938 and a summary of our financial appraisal outcome is provided below: -

10 Castle Street, Reading RG1 7RD - Financial Viability Assessment Outcome	
Development Cost / Revenue	Assumption
Development Revenue - Market Housing	£ 1,158,300
Development Revenue - Takeaway / restaurant	£ 521,771
Total Development Revenue	£ 1,680,071
Acquisition Costs	£ 4,103
Construction Costs	£ 730,000
Contingency	£ 73,000
Affordable Housing Contribution	£ 57,915
Reading BC CIL Charge	£ 68,286
Professional Fees	£ 87,600
Marketing & Letting Costs	£ 40,601
Disposal Costs	£ 53,411
Finance Costs	£ 26,203
Developer Profit	£ 336,014 (20.00% of GDV)
Total Development Costs	£ 1,477,133
Residual Land Value	£ 202,938
Benchmark Land Value	£ 488,000
Viability Surplus / (Deficit)	-£ 285,062

- 1.5. As there is a viability deficit of (£285,062), we conclude that it is not financially viable to provide a Payment in Lieu of on-site affordable housing equating to 5% of residential GDV (£57,915) and maintain a reasonable level of return for the developer and landowner.



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2. Introduction & Scope of Instructions

- 2.1. Grimshaw Consulting Limited ('GCL') is instructed by Mr A Hayward, ("the Applicant") to prepare a financial viability assessment of a development proposal with a total GIA of 12,906 sqft (1,199 sqm) and comprising the refurbishment and conversion of an existing 5-storey commercial building to provide a restaurant / takeaway with a GIA of 107.8 sqm (1,160 sqft) at basement and ground floor levels and 4 No. residential apartments at ground, first, second & third floor levels at 10 Castle Street, Reading RG1 7RD ('the Property' or "application site").
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- 2.3. Further information relating to the property, surrounding area and proposed development are set out at section 3. Details of our approach to the viability assessment and the planning policy context are set out at section 4. Our financial appraisal assumptions with market evidence (where applicable) are set out within section 5, together with consideration of the appropriate level of financial contribution in lieu of on-site affordable housing. We consider the appropriate viability benchmark for comparison with the proposal at section 6. Our financial appraisal outcomes and conclusions are provided at section 7 of this report.
- 2.4. This review of financial viability has been undertaken by GCL as an independent assessor. To inform our financial appraisals, we have completed our own research into the local property market and relied upon the following information received from the Applicant:
- a) Drawings and information relating to the proposed development, prepared by other consultants retained by the Applicant to prepare planning application documents.
 - b) Construction cost estimate informed by BCIS indices and benchmark costs for comparable properties.
 - c) Information provided by the Applicant in respect of other relevant property matters.
- 2.5. This report has been prepared by Robert Grimshaw – a Director of Grimshaw Consulting Limited, who has extensive experience of both client-side and consultancy roles in the residential, commercial and mixed-use development sector, gained during a career of more than 25-years.

Important Note

- 2.6. The contents of this report do not constitute our opinion of Market Value (as defined by the RICS Valuation – Global Standards 2017) and should not be relied upon as such by our client or any third party under any circumstances. Neither the whole nor any part of the report, or any reference thereto may be included within any published document, circular, or statement, or published in any way, without the prior written approval of Grimshaw Consulting Limited. It should be noted that in providing this response, we have not considered the potential impact of Government imposed social distancing and lock-down restrictions associated with the COVID-19 pandemic.
- 2.7. We note that the RICS Material Valuation Uncertainty Leaders Forum (the Leaders Forum) updated their advice on 11th May 2021 to recommend a general 'lifting' of material valuation uncertainty. On 3rd November 2020, the Leaders Forum reaffirmed the particular nature of material uncertainty and the unique market factors relating to "*...an unprecedented set of circumstances on which to base a judgment...*" We therefore reserve our right to amend our opinion in the event that the RICS issues updated practice guidance prior to determination of the planning application.



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- 2.8. We confirm compliance with the RICS Professional Statement “Financial Viability in Planning: Conduct and Reporting” May 2019.
- 2.9. As required by the Professional Statement, we confirm the following matters:
- i. We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
 - ii. We have identified no conflicts of interest or risk of conflicts in preparing this report.
 - iii. We are not working under a performance related fee agreement or on a contingent fee basis.
 - iv. We advocate reasonable, transparent, and appropriate engagement between the parties in the planning process and we will do all that we can to assist in that process.
 - v. All the sub-consultants who have contributed to this report have been made aware of the Professional Statement and its requirements, they in turn have confirmed compliance with it.
 - vi. We have been allowed sufficient time since instruction to carry out this FVA bearing in mind the scale of the development and the status of the information as at the date of this report.

3. Project Details

- 3.1. The Property is located in Reading town centre on the northern side of Castle Street and comprises a mixed-use period building arranged over basement, ground and three upper floors.
- 3.2. The surrounding area is characterised predominantly by commercial premises at ground floor with offices or residential uses at upper floor levels. The area is well served by public transport and the Property has good access to local shops and amenities.
- 3.3. The Property is currently used as a restaurant at ground and basement levels, with upper floors used as storage. We understand that the upper floors have previously been in office use but have been vacant from that use for approximately 10-years and in use for storage (Use Class B8) for 7-years. We note that the upper floors are not considered to be attractive to office occupiers due to the configuration with small rooms and stepped access. We further note that marketing evidence has previously been submitted to the Council confirming that “...there is no reasonable prospect of finding an interested occupier for the upper floors...”
- 3.4. The Property is Grade II Listed and located within the St Mary’s Butts / Castle Street Conservation Area and has an approximate Gross Internal Area (‘GIA’) of 435 sqm (4,690 sqft)¹.
- 3.5. A full planning application has been submitted to the Council for **‘change of use of the ground floor restaurant (Use Class E) and upper floors in storage use (Use Class B8) to a sui generis restaurant / takeaway at ground floor and basement and 4 residential flats (Use Class C3)’**
- 3.6. The proposed development will be car-free and will have a total GIA of approximately 435 sqm (4,690 sqft) and the accommodation is summarised below: -
- Basement & Ground Floor – sui generis restaurant / takeaway – 107.8 sqm (1,160 sqft) GIA, including basement level dining area and storage.
 - Ground Floor – Flat D – a 1-bedroom flat with a Net Sales Area (‘NSA’) of 57.3 sqm (617 sqft) and access to a private courtyard garden to the rear (area approx. 21.6 sqm).
 - First Floor – Flat C – a 2-bedroom flat with a NSA of 64.2 sqm (691 sqft). Cycle storage and refuse storage is also provided at first floor level.
 - Second Floor – Flat B – a 1-bedroom flat with a NSA of 56 sqm (603 sqft).
 - Third Floor – Flat A – a 1-bedroom flat with a NSA of 61.6 sqm (663 sqft), including a private flight of stairs.

¹ GIA to be confirmed by DLBP – currently estimated from drawings.



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- 3.7. We note that with the exception of partial demolition of the single storey rear infill extension, no external alterations are proposed by the planning application. However, for viability assessment purposes, we have assumed that limited repairs will be undertaken to the building envelope in order to comply with building regulations (for example, window replacement).

4. Principles of Financial Viability Assessment & Planning Policy Context

- 4.1. National Planning Policy Guidance (NPPG), published on 29th November 2016 and last updated on 24th June 2021 provides a general overview of what is expected in relation to viability in both Local Plan preparation and decision-taking on individual schemes. The NPPG paragraph 007 Reference ID 10-007-20180724 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.

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.”

- 4.2. A site is viable if the value generated by its development exceeds the costs of developing it and provides sufficient incentive for the land to come forward and the development to be undertaken. Where the deliverability of a development may be compromised by the scale of planning obligations and other costs, a viability assessment may be necessary. This should be informed by the particular circumstances of the site and proposed development in question.
- 4.3. The NPPG confirms the principles for carrying out a viability assessment at paragraph 010 Reference ID 10-010-20180724: -

“National Planning Guidance sets out the government’s recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment. Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government’s recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.”

- 4.4. The NPPG defines the key inputs for viability assessments at paragraphs 011 to 013: -

- a) Gross Development Value - Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary. For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative. For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.
- b) Costs - Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application. Costs include:



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- i. build costs based on appropriate data, for example that of the Building Cost Information Service.
 - ii. abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value.
 - iii. site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value.
 - iv. the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.
 - v. general finance costs including those incurred through loans.
 - vi. professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value.
 - vii. explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.
- c) Land 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 comply with policy requirements. 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.
- d) Competitive Return to Developers - Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.
- e) Competitive Return to Landowners - 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 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. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. 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 land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

4.5. As explained in the RICS Guidance Note "Assessing viability in planning under the National Planning Policy Framework 2019 for England" (March 2021), an objective assessment of financial viability for planning applications should be placed in the context of a well-established set of appraisal techniques and their applications. An accepted method of valuation of development schemes and land is set out in RICS Valuation Information Paper (VIP) 12. This approach, called the



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residual method, recognises that the value of a development scheme is a function of a number of elements, as explained in the NPPG and set out above. The residual approach is used for development situations where the direct comparison with other transactions is not possible due to the individuality of development projects. However, practitioners will seek to check residual development appraisals with market evidence.

- 4.6. The residual appraisal method can be used in two ways; first, to assess the level of developer return generated from the proposed development, where site cost is an input into the appraisal, and second; to establish a residual Site Value by inputting a predetermined level of developer return.
- 4.7. The financial viability assessment can use the level of developer's return or the Site Value as the benchmark for assessing the impact of planning obligations on viability. While the majority of financial viability assessments use the residual approach, there may be certain circumstances where other appraisal methodologies are appropriate and should be used by the practitioner (for example, when assessing continuing existing uses in terms of obsolescence and depreciation an investment appraisal may be more appropriate). To maintain the residual approach as a market-based exercise, as the NPPF also advocates through seeking a competitive return, it will be important to both benchmark and have regard to the available comparable market-based evidence.
- 4.8. The site is located within the Reading Borough Council administrative area. Planning policies relevant to the consideration of financial viability and affordable housing are contained within the following documents:
- a) The National Planning Policy Framework ("NPPF") and Planning Policy Guidance on Viability (September 2019), as detailed at paragraphs 4.1 to 4.3 above;
 - b) The Reading Borough Local Plan ('Local Plan' November 2019) and Affordable Housing SPD ('SPD' March 2021)
- 4.9. Reading Local Plan Policy H3: Affordable Housing states:

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.

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.

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.

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.

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.

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.

- 4.10. Further guidance on how the financial contribution in lieu of on-site affordable housing should be calculated is provided at paragraphs 5.6 to 5.12 of the SPD. Key points in relation to the proposed development are as follows:



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- For a development of between 1 and 4 residential dwellings, the affordable housing contribution is the equivalent of the cost of providing 10% affordable housing off-site.
- The Council estimates that registered providers of affordable housing ('RPs') can raise 50% of development costs in private finance.
- The equivalent affordable housing cost for small developments of between 1 and 4 dwellings is therefore deemed by the Council to equate to 5% of Gross Development Value ('GDV').
- The Council requires details of how GDV is calculated for the proposed development, supported by "*...relevant analysed sales evidence of genuinely comparable property with sales verified through Land Registry records...*"

4.11. Planning policy guidance provided by the NPPG on Viability; the Reading Local Plan Policy H3 and the Reading Affordable Housing SPD allows for the assessment of the economics and financial viability of the development (including the need to provide reasonable returns for both landowners and developers), including site specific costs when considering the provision of affordable housing contributions, whether on-site, off-site or in the form of a payment in lieu. We have had regard to these policies and guidance and guidance provided by the RICS when preparing this financial viability assessment and our financial appraisal inputs and outcomes are set out in the following sections of this report.

5. Financial Appraisal Assumptions

5.1. We have prepared financial appraisals for the development proposal using Argus Developer – industry recognised software for the provision of development viability models. Our appraisal inputs and supporting evidence relating to the revenue and costs are detailed in the paragraphs below. The financial appraisal provided within **Appendix 1** has been set up to generate a Residual Land Value ("RLV"), with Developer Profit set as a cost.

1.1. Development Revenue – Market Housing - we highlight that there is a significantly limited evidence base relating to flats located above shops, bars, takeaways, and restaurants in Reading and other locations within the South East of England.

5.2. The difficulties in obtaining mortgage finance on the type of properties proposed by the development (i.e. residential flats above restaurant and takeaway premises) are generally the result of negative lender and valuer perceptions about the impact on future saleability of residential apartments from noise, disturbance and cooking smells associated with non-residential uses. This leads to limited mortgage availability from a handful of specialist providers (and in our immediate experience, only one specialist lender for a property above an Indian restaurant in London), with much higher interest rates and arrangement fees than would be expected from high street banks.

5.3. As a result, transactions tend to be completed without recourse to mortgage finance (i.e. from cash reserves or the sale of other unencumbered properties) and the pool of potential buyers is significantly smaller than for standard property types. The impact of this on the Market Value of a flat above a shop or restaurant is generally considered to equate to a discount of between 10% and 20% from the selling price that might be expected from a "standard" flat.

5.4. As there are restricted numbers of local transactional data from comparable properties, we have considered mixed-use investment transactions in different locations within the South-East and London, utilising Allsop auctions data (**Appendix 2**).

5.5. To provide a comparison with the proposed development, we have re-based prices using the difference between HM Land Registry House Price Index (HPI) for Reading and the local authority area within which the comparable property is located. This method has assisted in taking a "stand back" position when assessing the GDV of the proposal and we find that the Allsop data relating to 11 comparable properties provides the following headlines:

- The selling prices equate to Gross Initial Yields of between 5.43% and 9.67%, when total residential and commercial income is considered.
- The average Gross Initial Yield is 6.50%
- The average selling price of the sample properties is £430 per sqft

5.6. When re-based to Reading using HMLR HPI, the selling price ranges from £131 per sqft to £316 per sqft and averages £232 per sqft.



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- 5.7. We have undertaken research using HM Land Registry data relating to completed residential sales of new build and second-hand flats in RG1. A total of 106 flats and maisonettes were sold in the RG1 postal code district between 1st January and 30th September 2021. The average selling price of flats within the sample was £243,111, equating to £363 per sqft on Net Sales Area. Only a single new build sale completed within the date range considered – a 1,496 sqft, 14th floor flat within the 'Verto' building on Kings Road – this is not considered to be comparable. A full list of transactions within the RG1 post code sample is provided at **Appendix 3**.
- 5.8. Promap Premium Layers² data for residential sales within 500m of the property is also provided at Appendix 2. This data confirms that there were 32 completed flat sales between 1st October 2019 and 30th September 2021 at an average price of £255,091, equating to £402 per sqft. These transactions include the sale of flat 10, 57 Castle Street RG1 7SN for the sum of £220,000 on 14th February 2020, equating to £510 per sqft.
- 5.9. The development of 57 Castle Street was completed in 2016 and comprises 12 flats within a converted office building under permitted development rights – it is a single use building without non-residential uses at ground floor level. The size of flats within 57 Castle Street average 33.27 sqm (358 sqft), which is significantly smaller than the flats proposed at 10 Castle Street (59.78 sqm / 643 sqft). We note that there was a total of 19 sales of flats in Castle Street during the last 5-years, had an average sale price of £215,216, equating to £450 per sqft.
- 5.10. In summary, sales data indicates the following headlines for standard flats in RG1: -
- i. All flats sold within the RG1 postal code district between 1st January 2021 and 30th September 2021
 - a. Average price - £243,111
 - b. Average sales price rate - £363 per sqft.
 - ii. All flat sales within a 500m radius of the Property between 1st October 2019 and 30th September 2021.
 - a. Average price - £255,091
 - b. Average sales price rate - £402 per sqft
 - iii. All flat sales within Castle Street between 1st July 2016 and 30th September 2021.
 - a. Average Price - £215,216
 - b. Average sales price rate - £450 per sqft
- 1.2. For viability assessment purposes, we have assumed a residential GDV equating to £450 per sqft (an average of £289,575 per dwelling). Within the context of market evidence and the potentially restricted pool of lenders that would be willing to consider a mortgage application for the completed dwellings, we consider this assumption to be at the upper end of a range of values that might be achieved.
- 1.3. Development Revenue – Residential Ground Rents – the Leasehold Reform (Ground Rent) Bill ('the Bill') received its first reading in the House of Commons on 15th September 2021. The Bill applies to England and Wales and its provisions, once in force, will restrict ground rents on newly created long residential leases to a token one peppercorn per year. This effectively restricts ground rents to zero financial value.³ In recognition of this intended change in legislation, we have disregarded any investment income derived from residential ground rents.
- 1.4. Development Revenue – Commercial Use – the application proposes to retain a ground floor restaurant / takeaway use with a GIA of approximately 1,160 sqft, continuing the Applicant's business of more than 40-years. To inform our financial appraisal assumptions, we have referred to transaction evidence provided by the CoStar Group database and consider the following properties to be comparable: -
- 1.5. 30a Chain Street, Reading RG1 2HX – a 3-floor mid-terrace retail unit, with a NIA of approximately 2,771 sqft. The Tasting Table Ltd took a 10-year lease (tenant break at Y5) in November 2013 at a rent of £49,800 pa, with a 3-month rent-free period for basement and ground floor levels. The rent equated to £17.97 per sqft. In July 2021, Q&A Foods

² Landmark Information Group Ltd 2021

³ House of Commons Library Research Briefing 22nd September 2021



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Ltd (t/a Intoku) took a 10-year lease (tenant break at Y3) in 1,453 sqft at a rent of £38,500 pa, subject to 6-months rent-free period. The rent equates to £26.50 per sqft in this town centre location, which is considered to be superior to the subject property.

- 1.6. 153 Caversham Road RG1 8AU – a ground floor cafe with a NIA of 797 sqft, let at a rent of £14,500 pa (£18.19 per sqft) on 9th October 2020. We note that there is a residential apartment at upper floor levels but have not been able to source sale or rent data for this property.
- 1.7. 5-6 Gun Street RG1 2JR – a ground floor drinking establishment with a NIA of 7,276 sqft, let to Gun Street Garden on 19th August 2019 at a rent of £52,232 pa, subject to 7-months rent-free period. The rent equates to £7.18 per sqft.
- 1.8. 77-79 Kings Road RG1 3DD – the Warwick public house, which has a total GIA of 4,464 sqft including ancillary residential accommodation at upper floor levels (1182 sqft). Let to The Cardmon at a rent of £65,000 pa (£14.56 per sqft) for a 10-year term subject to a tenant break at Y5 in May 2019.
- 1.9. As will be noted from above, there is a diverse range of rental evidence for similar properties within close proximity to the Property, with rents ranging from £7.18 per sqft to £26.50 per sqft, depending on the location, age and condition of the premises and the level of retail footfall. CoStar estimate a market rent of between £26 per sqft and £31 per sqft for retail use and in our opinion a reasonable Estimated Rental Value ('ERV') would be approximately £35,000 pa (equating to £30.17 per sqft), reflecting a newly refurbished facility for the long established and popular restaurant / takeaway established by the Applicant's family. Based on the evidence of comparable lettings summarised above, we consider that a rent-free period of 6-months is reasonable and have included this in our financial appraisal.
- 1.10. We have capitalised the ERV at a Gross Initial Yield of 6.50%, which we consider to be reasonable within the context of the evidence and commentary provided at paragraphs 5.2 to 5.7 above.
- 1.11. The total assessed GDV for the Proposal is **£1,680,071** equating to £358 per sqft based on the GIA of 4,690 sqft.
- 1.12. Development Costs
- 1.13. Based on our experience and advice from Stace LLP, who we consult on construction matters, we have assumed the following programme for the completion of the development, including the sale period (assuming that planning permission has been granted): -

Development Stage	Start Date	End Date	Duration (months)
Purchase	October 2021	October 2021	1
Pre-construction	November 2021	January 2022	3
Construction	February 2022	August 2022	7
Sale	September 2022	September 2022	1
Total Development Period			12

- 1.14. Construction Costs – We have estimated construction costs, based on experience of recent similar projects and upon informal advice received from Stace LLP. A summary of the construction cost estimate is provided at **Appendix 4**. Total estimated construction costs for the proposal are £730,000 equating to £155.65 per sqft (£1,678 per sqm) on the GIA.
- 1.15. Reading Borough Council Affordable Housing Viability Testing Report - We note that BPS Chartered Surveyors prepared the Reading Borough Council Affordable Housing Viability Testing Report ('BPS Report') in March 2018, that they considered BCIS tender return data to inform their assumptions on construction costs. It is important to note that those estimates apply only to new build development and no viability testing has been completed in relation to the Council's Local Plan policy requirements for conversion and refurbishment projects. The base construction cost assumed for flats generally in the BPS Report was £1,533 per sqm + £60 per sqm allowance for "facilitating costs" + £159 per sqm for "external works". The resultant new build construction cost assumption within the BPS Report in March 2018 was £1,753, and within the context of this estimate for strategic testing purposes, which excludes indexation to the current date, we consider that our construction cost assumptions are reasonable.



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

- 1.16. Contingency - The estimated construction costs exclude allowances for design development and construction risk, which have been included in our financial appraisal at a rate of 10.0% of the building works estimate and are considered reasonable for a refurbishment / conversion project of this nature involving a Grade II Listed building. We note that the BPS Report assumes a 5% contingency for new build construction – this is not sufficient to cover potential unforeseen costs on a small refurbishment project as proposed by the development.
- 1.17. Other Development Costs – Comparison with whole Plan Assumptions - Paragraph 008 Reference ID: 10-008-20180724 of National Planning Practice Guidance on Viability (July 2018) recommends that “...where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan, and the applicant should provide evidence of what has changed since then...” Accordingly, in the table below we compare our appraisal assumptions with those used in the BPS Report.

Item	GCL Assumption - 10 Castle Street, Reading RG1 7RD	Reading Borough Council Affordable Housing Viability Testing Report (BPS March 2018)
Acquisition Costs – SDLT	As HMLR Rates	No allowance stated
Acquisition Costs – Agent Fee	1% of Residual Land Value	No allowance stated
Acquisition Costs – Legal Fee	0.50% of Residual Land Value	No allowance stated
Base Construction Costs	£1,678 per sqm	£1,753 per sqm
Contingency	10% of Construction Costs	5% of Construction Cost
Borough CIL Contributions	Estimated in accordance with CIL Charging Schedule	Estimated in accordance with CIL Charging Schedule
S106 Affordable Housing Contribution.	5% of residential GDV - £51,480	No allowance stated
Professional Fees	12% of Construction Costs (inc. town planning & survey costs)	10% of Construction Cost
Marketing Costs	1% of Gross Development Value	2% of sales revenue
Letting Agent Fee	15% of Net Rent at Sale	No allowance stated
Letting Legal Fee	5% of Net Rent at Sale	No allowance stated
Purchaser's Costs	6.50% of Commercial & Ground Rent Investment Sales	No allowance stated
Sales Agent Fees	1.00% of Gross Development Value	1.00% of Gross Development Value
Sales Legal Fee (Residential)	£1000 per dwelling	0.5% of Gross Development Value
Sales Legal Fee (Commercial)	0.50% of selling price (commercial investment)	0.5% of Gross Development Value
Finance Debit Rate	6.50% (including all arrangement & exit fees)	6.57%
Developer Profit	20% of Gross Development Value	20% of Gross Development Value

- 1.18. Our financial appraisal cost inputs generally correspond with those used in the BPS Report, with the exception of the Affordable Housing contribution required by Local Plan Policy H3, which is 5% of residential GDV and is not included in the BPS Report, which considers on-site affordable housing provision only.
- 1.19. Developer Profit – we have assumed 20% of GDV, which is at the upper end of the acceptable range of 15% to 20% of GDV and is justifiable for the following reasons:
- The development involves the conversion and refurbishment of a Grade II Listed building within Reading town centre. Whilst construction contingency is higher than would apply to a new build project, there is still a significant risk of cost increases and programme delays due to unforeseen cost items once a full survey and ‘opening up’ works have been completed. Furthermore, it is likely that a number of specialist heritage sub-contractors will be required to undertake works on the building.



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- There is an increased sales risk associated with the limited pool of buyers for the residential apartments due to their location above a takeaway and the restricted number of specialist funders that will obtain mortgages for the property.

1.20. A summary of our financial appraisal result is provided in section 7.

6. Viability Benchmark

6.1. As explained in section 3, financial viability assessments can use the level of developer's return or the Site Value as the benchmark for assessing the impact of planning obligations on viability.

6.2. The NPPF states that viability assessments should consider *“competitive returns to a willing landowner and willing developer to enable the development to be deliverable.”* This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible. A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.

6.3. Paragraph 013 of the NPPG on Viability confirms that BLV should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. Paragraph 014 of the NPPG sets out the factors that should be considered to establish benchmark land value. BLV should:

- Be based upon existing use value.
- Allow for a premium to landowners.
- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
- Be informed by market evidence including current uses, costs and values wherever possible.

1.21. Paragraph 015 defines EUV as **“...the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.”** Paragraph 015 confirms **“Existing use value is not the price paid and should disregard hope value”**.

1.22. Paragraph 017 considers Alternative Use Value and confirms that **“...where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV...”**. Paragraph 017 also confirms that **“...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....”**

1.23. Within the context of planning policy guidance and the planning history of the property, the following factors are relevant to establishing the Viability Benchmark for the Property:

- a) The lawful use of the Property is Class E restaurant use at basement and ground floor levels, with Class B8 storage use at first, second and floor levels.
- b) The GIA of the existing property is 435 sqm. The Net Internal Area ('NIA') comprises 180.4 sqm (1,942 sqft) of Class E restaurant use and 160.5 sqm (1,728 sqft) of Class B8 storage use. The total NIA of the existing building is 340.9 (3,670 sqft).
- c) We have considered whether the Class B8 storage use should be included as ancillary to the restaurant use – whilst the upper floors are capable of being accessed independently of the ground floor restaurant use, it seems to us that an assessment of EUV on the basis of ancillary storage use is reasonable for financial viability assessment purposes.

1.24. When assessing the ERV of the restaurant use, we have had regard to the evidence used to determine the ERV of the proposed replacement facilities that is set out at paragraphs 5.14 to 5.19 above. Our opinion of ERV for the existing



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

premises comprising the Class E use at basement and ground floor levels with ancillary Class B storage use at upper floor levels is **£45,000 pa**. This equates to £23.17 per sqft if assessed solely against the Class E use, but once ancillary storage areas are taken into account, equates to £12.26 per sqft.

- 1.25. We note that the average Gross Initial Yield of the comparable property transactions identified at Appendix 2 is 6.50%, with a range from 5.26% to 9.67%. We also note Knight Frank's Investment Yield Guide (September 2021), which highlights a 10.00% ++ Yield for "Secondary / Tertiary High Street Retail" with a "Negative" market sentiment. Within the context of this data, we consider that a 10.00% Gross Initial Yield would be reasonable for establishing an Existing Use Value ('EUV') for this Property. Once Purchaser's Costs of 5.75% have been deducted, the resultant EUV is **£425,125**.
- 6.4. Landowner Premium - As stated in the Viability NPPG, Benchmark Land Value should be assessed on an EUV + landowner premium approach. The landlord premium can range between 0% and 30%, depending on factors such as whether the property is occupied and income generating, the covenant strength of existing or alternative tenants, demand from alternative occupiers and the condition of the existing building. We note the following scoring matrix in respect of landowner premiums from previous viability discussions with BNP Paribas Real Estate: -

Factors Influencing Landowner Premium			
Factor	Scoring		
Occupied & Income generating	Yes +10%		No - 0%
Occupational Terms	Owner Occupied +5%	Long Lease +5%	Short Lease/licence 0%
Covenant Strength of existing tenants or alternative tenants	Strong +5%	Medium +1.5%	Poor 0%
Demand from alternative occupiers	Strong +5%	Limited +2.5%	None 0%
Condition	Good +5%	Fair +2.5%	Poor 0%

- 6.5. Taking the approach used by BNP Paribas Real Estate, our assessment of the scoring in respect of landowner premium is as follows:
- The property is occupied & income generating +10% premium.
 - The property is Owner Occupied + 5% premium
 - Covenant Strength – poor +0%
 - Demand from alternative occupiers – poor 0%
 - Building Condition – fair +2.5%
 - Total assessed premium is +17.5%, however this would only apply to the occupied space in Class E use and would not relate to the ancillary storage use at upper floor levels, so we propose to apply a discount to this calculation and propose a premium of **15.00%**
- 6.6. We therefore consider that a reasonable Benchmark Land Value for comparison with the Residual Land Value generated by our financial appraisals would be **£488,000** (rounded).

7. Financial Appraisal Outcomes & Conclusion

- 7.1. Grimshaw Consulting Limited ('GCL') has undertaken an independent financial viability assessment of a proposal to refurbish an existing Grade II Listed building at 10 Castle Street, Reading RG1 7RD and to change the use from Class E restaurant at basement and ground floor levels with Class B8 storage use at upper floor levels to *sui generis* takeaway use at ground and basement levels with 4 x residential apartments (3 x 1-bed & 1 x 2-bed) at upper floor levels. The development has a total GIA of 4,690 sqft (435 sqm).
- 7.2. A planning application has been submitted to Reading Borough Council and this report has considered the following: -

Whether the provision of a payment in lieu of on-site affordable housing (in accordance with Local Plan Policy H3) is financially viable within the context of site-specific cost and revenue estimates, Community Infrastructure Levy and planning obligation contributions, and the need to provide a reasonable level of return for both the landowner and developer.



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

- 7.3. We have assessed the Viability Benchmark of the Property on the basis of the existing use as Class E restaurant with ancillary Class B8 storage and our opinion of a reasonable Viability Benchmark is **£488,000 (rounded)**.
- 7.4. We have assessed the Residual Land Value of the proposed development and a summary of our financial appraisal outcome is provided below: -

10 Castle Street, Reading RG1 7RD - Financial Viability Assessment Outcome	
Development Cost / Revenue	Assumption
Development Revenue - Market Housing	£ 1,158,300
Development Revenue - Takeaway / restaurant	£ 521,771
Total Development Revenue	£ 1,680,071
Acquisition Costs	£ 4,103
Construction Costs	£ 730,000
Contingency	£ 73,000
Affordable Housing Contribution	£ 57,915
Reading BC CIL Charge	£ 68,286
Professional Fees	£ 87,600
Marketing & Letting Costs	£ 40,601
Disposal Costs	£ 53,411
Finance Costs	£ 26,203
Developer Profit	£ 336,014 (20.00% of GDV)
Total Development Costs	£ 1,477,133
Residual Land Value	£ 202,938
Benchmark Land Value	£ 488,000
Viability Surplus / (Deficit)	-£ 285,062

- 7.5. Our financial appraisal indicates that it is not financially viable to provide a Payment in Lieu of on-site affordable housing equating to 5% of residential GDV (equating to £57,915) as part of the proposed development. The residual land value (RLV) generated by this scenario is £285,062 lower than the Viability Benchmark of £488,000. It should be noted that the proposed development would provide Community Infrastructure Levy contributions totalling £68,286.

Robert Grimshaw
Director
Grimshaw Consulting Limited
8th October 2021



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

8. Appendices



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

Appendix 1 – Financial Appraisal – 4 Market Dwellings & Sui Generis takeaway use

10 Castle Street, Reading RG1 7RD
Financial Viability Assessment
on behalf of Mr A Hayward

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Development Appraisal
Prepared by Robert Grimshaw
Grimshaw Consulting Limited
07 October 2021

10 Castle Street, Reading RG1 7RD
Financial Viability Assessment
on behalf of Mr A Hayward

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate	ft²	Unit Price	Gross Sales
Residential Apartments	4	2,574	450.00	289,575	1,158,300	

Rental Area Summary

	Units	ft²	Rent Rate	ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Restaurant / Takeaway at Ground & Basement Levels	1	1,160	30.17	35,000	35,000	35,000	35,000

Investment Valuation

Restaurant / Takeaway at Ground & Basement Levels

Market Rent	35,000	YP @	6.5000%	15.3846	
(6mths Rent Free)		PV 6mths @	6.5000%	0.9690	521,771

GROSS DEVELOPMENT VALUE

1,680,071

NET REALISATION

1,680,071

OUTLAY

ACQUISITION COSTS

Residualised Price			202,936	
				202,936
Stamp Duty			1,059	
Effective Stamp Duty Rate		0.52%		
Agent Fee		1.00%	2,029	
Legal Fee		0.50%	1,015	
				4,103

CONSTRUCTION COSTS

Construction	ft²	Build Rate	ft²	Cost
Build Costs	4,690	155.65	730,000	
Contingency		10.00%	73,000	
				803,000

Section 106 Costs

Affordable Housing Contribution		5.00%	57,915	
Reading BC CIL Charge	4,690 ft²	14.56	68,286	
				126,201

PROFESSIONAL FEES

Professional Fees		12.00%	87,600	
				87,600

MARKETING & LETTING

Marketing		2.00%	33,601	
Letting Agent Fee		15.00%	5,250	
Letting Legal Fee		5.00%	1,750	
				40,601

DISPOSAL FEES

Purchaser's Costs			30,002	
Effective Purchaser's Costs Rate		5.75%		
Sales Agent Fee		1.00%	16,801	
Retail Sales Legal Fee		0.50%	2,609	
Residential Sales Legal Fee	4 un	1,000.00 /un	4,000	

10 Castle Street, Reading RG1 7RD

Financial Viability Assessment

on behalf of Mr A Hayward

53,411

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)	
Land	11,441
Construction	14,762
Total Finance Cost	26,203

TOTAL COSTS

1,344,057

PROFIT

336,014

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR% (without Interest)	83.24%
Floor Area Ratio	0.00%
Land Cost pAcre	0

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10 Castle Street, Reading RG1 7RD
Financial Viability Assessment
on behalf of Mr A Hayward

Project Timescale	
Project Start Date	Oct 2021
Project End Date	Sep 2022
Project Duration (Inc Exit P	12 months

Phase 1



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10 Castle Street, Reading RG1 7RD
Financial Viability Assessment
on behalf of Mr A Hayward

Grouped Cash Flow Phase 1

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	001:Oct 2021	002:Nov 2021	003:Dec 2021	004:Jan 2022	005:Feb 2022	006:Mar 2022
Monthly B/F	0	(207,039)	(208,161)	(209,282)	(210,416)	(264,710)
Sales Valuation						
Unit Sales	0	0	0	0	0	0
	0	0	0	0	0	0
Investment Valuation						
Capitalised Rent	0	0	0	0	0	0
	0	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0	0
Acquisition Costs						
Residualised Price	(202,936)	0	0	0	0	0
Stamp Duty	(1,059)	0	0	0	0	0
Acquisition Fees	(3,044)	0	0	0	0	0
	(207,039)	0	0	0	0	0
Construction Costs						
Construction Costs	0	0	0	0	(40,471)	(95,347)
Contingency	0	0	0	0	(4,047)	(9,535)
	0	0	0	0	(44,518)	(104,882)
Other Construction Costs						
Section 106 Costs	0	0	0	0	(3,786)	(8,919)
	0	0	0	0	(3,786)	(8,919)
TOTAL CONSTRUCTION COSTS	0	0	0	0	(48,304)	(113,801)
Professional Fees						
Professional Fees	0	0	0	0	(4,857)	(11,442)
	0	0	0	0	(4,857)	(11,442)
Marketing and Letting						
Marketing	0	0	0	0	0	0
Letting Agent Fee	0	0	0	0	0	0
Letting Legal Fee	0	0	0	0	0	0
	0	0	0	0	0	0
Sales Costs and Fees						
Purchaser's Costs	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0
	0	0	0	0	0	0
TOTAL COSTS	(207,039)	0	0	0	(53,160)	(125,242)
Net Cash Flow Before Finance	(207,039)	0	0	0	(53,160)	(125,242)
Debit Rate 6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(1,121)	(1,121)	(1,134)	(1,134)	(1,422)
Net Cash Flow After Finance	(207,039)	(1,121)	(1,121)	(1,134)	(54,294)	(126,664)
Cumulative Net Cash Flow Monthly	(207,039)	(208,161)	(209,282)	(210,416)	(264,710)	(391,374)

10 Castle Street, Reading RG1 7RD
Financial Viability Assessment
on behalf of Mr A Hayward

Grouped Cash Flow Phase 1

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007:Apr 2022008:May 2022009:Jun 2022 010:Jul 2022011:Aug 2022012:Sep 2022
(391,374) (564,333) (757,331) (943,987) (1,097,825) (1,192,129)

0	0	0	0	0	1,158,300
0	0	0	0	0	1,158,300
0	0	0	0	0	521,771
0	0	0	0	0	521,771
0	0	0	0	0	1,680,071
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(130,060)	(144,611)	(138,999)	(113,224)	(67,287)	0
(13,006)	(14,461)	(13,900)	(11,322)	(6,729)	0
(143,066)	(159,072)	(152,899)	(124,547)	(74,016)	0
(12,166)	(13,527)	(13,002)	(10,591)	(6,294)	(57,915)
(12,166)	(13,527)	(13,002)	(10,591)	(6,294)	(57,915)
(155,233)	(172,599)	(165,901)	(135,138)	(80,310)	(57,915)
(15,607)	(17,353)	(16,680)	(13,587)	(8,074)	0
(15,607)	(17,353)	(16,680)	(13,587)	(8,074)	0
0	0	0	0	0	(33,601)
0	0	0	0	0	(5,250)
0	0	0	0	0	(1,750)
0	0	0	0	0	(40,601)
0	0	0	0	0	(30,002)
0	0	0	0	0	(16,801)
0	0	0	0	0	(6,609)
0	0	0	0	0	(53,411)
(170,840)	(189,953)	(182,581)	(148,725)	(88,385)	(151,928)
(170,840)	(189,953)	(182,581)	(148,725)	(88,385)	1,528,143
6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(2,120)	(3,045)	(4,074)	(5,113)	(5,919)	0
(172,960)	(192,998)	(186,656)	(153,838)	(94,304)	1,528,143
(564,333)	(757,331)	(943,987)	(1,097,825)	(1,192,129)	336,014



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

Appendix 2 – Comparable transactions summary (Allsop Auctions)

Comparable Property Transactions - Allsop Auctions														
Address	Description	Auction Date	Sale Price	Total NIA (sqft)	Commercial Rent	Residential Rent	Total Rent	Gross Initial Yield	£ per sqft	Average House Price (Flats)		Indexation to Reading	Rebased Price	Rebased Price / sqft
										Location	Reading			
65 Farringdon Road, London EC1M 3JB	Takeaway trading as Papa Johns at GF level. Lease reversion 2023. 4 flats above let to Mintland Properties Ltd with reversion 2021. Development Potential for 1 x additional floor.	6th May 2021	£ 2,420,000	3533	£ 53,500	£ 78,000	£ 131,500	5.43%	£ 685	£ 731,338	£ 224,566	0.31	£ 743,090	£ 210
2/2a Church Street, Kingston upon Thames KT1 1RJ	Grade II Listed town centre freehold shop, with basement wine bar and 2 x flats above. Shop & flat A let to Whistles Limited. Shop & flat B let to Space NK Ltd. Wine Bar let to Bacchus. Lease reversions 2022 to 2024. Lot Unsold and available.	23rd September 2021	£ 2,200,000	6445			£ 212,679	9.67%	£ 341	£ 357,995	£ 224,566	0.63	£ 1,380,034	£ 214
45 & 45A High Street, Esher, Surrey KT10 9RL	Restaurant at grd & 1st flr levels and 1 x 4 room maisonette at 1st & 2nd flr levels. Restaurant let to Topright Ltd (t/a Lemongrass) to 2031. Maisonette let on AST to December 2021. Lot unsold & available	20th July 2021	£ 1,250,000	3412	£ 60,000	£ 15,600	£ 75,600	6.05%	£ 366	£ 366,869	£ 224,566	0.61	£ 765,144	£ 224
154 Canonbury Road, Islington, London N1 2UP	Freehold café, residential & advertising hoarding. Grd & Bsmt café let until 2040 with next review 2025. Residential maisonette at 1st & 2nd flrs let to Mintland Properties with reversion 2021. Advertising hoarding let to Daylite LED Media to 2023.	6th May 2021	£ 970,000	1208	£ 30,500	£ 20,540	£ 51,040	5.26%	£ 803	£ 576,227	£ 224,566	0.39	£ 378,026	£ 313
383 Bethnal Green Road, London E2 0AN	Freehold restaurant and residential investment comprising ground floor restaurant, store and 1st / 2nd flr maisonette. Let in it's entirety to M Yilmaz to 2033 with next review 2021.	19th May 2020	£ 800,000	1209			£ 50,000	6.25%	£ 662	£ 482,481	£ 224,566	0.47	£ 372,352	£ 308
245 Watling Street, Radlett, Herts WD7 7AL	Freehold end of terrace building arranged to provide a restaurant at bsmt & grd flr levels (let to 2022) with a 3-bedroom maisonette at 1st & 2nd flr levels let on an AST.	31st October 2019	£ 615,000	2023	£ 35,224	£ 13,000	£ 48,224	7.84%	£ 304	£ 326,608	£ 224,566	0.69	£ 422,856	£ 209
99-101 St Leonard's Road, Windsor, Berks SL4 3BZ	Freehold double-fronted restaurant with residential accommodation above comprising 2 x 1-bed flats. Let entirely to M S Hoque & S A Islam to 2033, with next review 2022.	9th December 2020	£ 570,000	2160			£ 37,100	6.51%	£ 264	£ 305,725	£ 224,566	0.73	£ 418,685	£ 194
35 Station Road, Horley, Surrey RH6 9HW	Freehold restaurant and residential investment comprising ground floor restaurant with 1st & 2nd floor maisonette let to C Huang & L Huang t/a Lee Garden until 2027.	3rd November 2020	£ 283,000	1868	£ -	£ -	£ 17,160	6.06%	£ 151	£ 259,265	£ 224,566	0.87	£ 245,124	£ 131
74-76 Rushey Green, Catford, London SE6 4HW	Freehold restaurant and residential investment comprising ground floor restaurant let to Nando's Chickenland Ltd to 2030 (no breaks, review 2025) and 8 x flats let to individuals on AST's (1 x flat vacant). Lot is unsold and available.	15th June 2021	£ 2,950,000	6199	£ 59,750	£ 100,320	£ 160,070	5.43%	£ 476	£ 338,157	£ 224,566	0.66	£ 1,959,060	£ 316
			£ 12,058,000	28057			£ 783,373	6.50%	£ 430	£ 416,074	£ 224,566	0.54	£ 6,508,019	£ 232



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

Appendix 3 – Schedule of Residential Transactions

price_paid	deed_date	postcode	property_t	new_build	estate_type	NSA (sqm)	NSA (sqft)	£ per sqft	saon	paon	street	locality	town
£ 180,000.00	23/02/2021	RG1 1NR	F	N	L	35	377	£ 478	FLAT 318	GARRARD HOUSE, 30	GARRARD STREET		READING
£ 325,000.00	25/01/2021	RG1 2BL	F	N	L	93	1001	£ 325		4 THE OLD BRITISH SCHOOL, 153	SOUTHAMPTON STREET		READING
£ 165,000.00	22/02/2021	RG1 2ND	F	N	L	48	517	£ 319			8 KATESGROVE LANE		READING
£ 225,000.00	26/03/2021	RG1 2QF	F	N	L	59	635	£ 354		44 AVELEY HOUSE	ILIFFE CLOSE		READING
£ 240,000.00	28/07/2021	RG1 2RZ	F	N	L	60	646	£ 372			11 DEANS GATE ROAD		READING
£ 247,500.00	11/01/2021	RG1 2SW	F	N	L	80	861	£ 287		7 INDIGO APARTMENTS, 45	CROWN STREET		READING
£ 250,000.00	30/04/2021	RG1 3AF	F	N	L	77	829	£ 302	FLAT 17	IL-LIBRO COURT	KINGS ROAD		READING
£ 215,000.00	01/02/2021	RG1 3BW	F	N	L	44	474	£ 454			24 SELBORNE COURT		READING
£ 252,000.00	05/02/2021	RG1 3EG	F	N	L	66	710	£ 355		1 GRANTLEY HEIGHTS	KENNET SIDE		READING
£ 285,000.00	05/02/2021	RG1 3EW	F	N	L	54	581	£ 490			24 BLAKES QUAY		READING
£ 151,000.00	26/02/2021	RG1 3FB	F	N	L	26	280	£ 540		6 ABBEY HALL	ABBEY SQUARE		READING
£ 320,000.00	15/01/2021	RG1 3FG	F	N	L	70	753	£ 425	FLAT 21		6 OSCAR WILDE ROAD		READING
£ 300,000.00	29/04/2021	RG1 3FH	F	N	L	71	764	£ 393	FLAT 28		8 OSCAR WILDE ROAD		READING
£ 740,000.00	02/02/2021	RG1 3FS	F	Y	L	139	1496	£ 495	FLAT 1401	VERTO, 120	KINGS ROAD		READING
£ 187,500.00	05/02/2021	RG1 3GF	F	N	L	45	484	£ 387			52 KENNET WALK		READING
£ 325,000.00	30/04/2021	RG1 3JJ	F	N	L	41	441	£ 736		17 ST JAMES WHARF	FORBURY ROAD		READING
£ 340,000.00	16/02/2021	RG1 3JJ	F	N	L	76	818	£ 416		4 ST JAMES WHARF	FORBURY ROAD		READING
£ 220,000.00	28/05/2021	RG1 3JN	F	N	L	69	743	£ 296	FLAT 1		119 ORTS ROAD		READING
£ 190,000.00	14/01/2021	RG1 3JX	F	N	L	48	517	£ 368		1 ICARUS COURT	SUN STREET		READING
£ 345,000.00	05/02/2021	RG1 4AU	F	N	L	87	936	£ 368	3 OSWALD HOUSE	24 - 26	QUEENS ROAD		READING
£ 250,000.00	08/01/2021	RG1 4AW	F	N	L	61	657	£ 381	FLAT 21	EAST VIEW PLACE	EAST STREET		READING
£ 330,000.00	18/06/2021	RG1 4AY	F	N	L	79	850	£ 388	FLAT 22	Q2	WATLINGTON STREET		READING
£ 240,000.00	25/01/2021	RG1 4AY	F	N	L	60	646	£ 372	FLAT 37	Q2	WATLINGTON STREET		READING
£ 480,000.00	12/03/2021	RG1 4DP	F	N	L	123	1324	£ 363	FLAT 1		25 ELDON SQUARE		READING
£ 355,000.00	27/01/2021	RG1 4DR	F	N	L	86	926	£ 383	FLAT 3		7 ELDON SQUARE		READING
£ 260,000.00	11/06/2021	RG1 4EQ	F	N	L	58	624	£ 416	FLAT 6		181 KINGS ROAD		READING
£ 145,000.00	07/05/2021	RG1 4FF	F	N	L	24	258	£ 561	FLAT 1		21 EAST STREET		READING
£ 237,500.00	08/01/2021	RG1 4FR	F	N	L	47	506	£ 469	FLAT 8	1-2	WESLEY GATE		READING
£ 229,000.00	15/01/2021	RG1 4GQ	F	N	L	75	807	£ 284		29 COMPASS HOUSE	SOUTH STREET		READING
£ 155,000.00	04/06/2021	RG1 4JE	F	N	L	59	635	£ 244			6 ELIZABETH MEWS		READING
£ 259,002.00	12/01/2021	RG1 4LY	F	N	L	61	657	£ 394	FLAT 41	THE PINNACLE	KINGS ROAD		READING
£ 267,000.00	30/04/2021	RG1 4NZ	F	N	L	82	883	£ 302	FLAT 14	CHARLES PLACE, 246	KINGS ROAD		READING
£ 218,000.00	20/04/2021	RG1 4PP	F	N	L	54	581	£ 375	FLAT 22	GREYS COURT	SIDMOUTH STREET		READING
£ 270,000.00	13/07/2021	RG1 4PX	F	N	L	62	667	£ 405	FLAT 18	KINGS OAK COURT	QUEENS ROAD		READING
£ 225,000.00	17/02/2021	RG1 4QZ	F	N	L	51	549	£ 410		8 OSPREY COURT	SIDMOUTH STREET		READING
£ 165,000.00	07/05/2021	RG1 4RA	F	N	L	28	301	£ 547	FLAT 3		59 SOUTH STREET		READING
£ 183,500.00	01/03/2021	RG1 4RA	F	N	L	41	441	£ 416	BASEMENT FLAT		60 SOUTH STREET		READING
£ 195,000.00	26/03/2021	RG1 4RF	F	N	L	67	721	£ 270	FLAT 1		49 WATLINGTON STREET		READING
£ 320,000.00	07/05/2021	RG1 5AG	F	N	L	60	646	£ 495	FLAT 2		24 LONDON ROAD		READING
£ 345,000.00	25/05/2021	RG1 5AG	F	N	L	86	926	£ 373	FLAT 7		36 LONDON ROAD		READING
£ 312,000.00	11/01/2021	RG1 5AG	F	N	L	68	732	£ 426	FLAT 1		40 LONDON ROAD		READING
£ 238,000.00	15/02/2021	RG1 5BG	F	N	L	62	667	£ 357		17 ALBION TERRACE	LONDON ROAD		READING
£ 325,000.00	26/03/2021	RG1 5BG	F	N	L	110	1184	£ 274		52 ALBION TERRACE	LONDON ROAD		READING
£ 225,250.00	23/02/2021	RG1 5BG	F	N	L	52	560	£ 402		9 ALBION TERRACE	LONDON ROAD		READING
£ 287,250.00	31/03/2021	RG1 5BY	F	N	L	72	775	£ 371	FLAT A		79 LONDON ROAD		READING
£ 250,000.00	09/02/2021	RG1 5DG	F	N	L	69	743	£ 337	FLAT 13	SHELLEY COURT, 46	LONDON ROAD		READING
£ 240,000.00	05/03/2021	RG1 5DG	F	N	L	63	678	£ 354	FLAT 17	SHELLEY COURT, 46	LONDON ROAD		READING
£ 240,000.00	03/01/2021	RG1 5ES	F	N	L	55	592	£ 405			31 SOUTHERN HILL		READING
£ 290,000.00	21/05/2021	RG1 5LA	F	N	L	66	710	£ 408		1 DEAN HOUSE	ERLEIGH ROAD		READING
£ 155,000.00	16/02/2021	RG1 5NT	F	N	L	55	592	£ 262		10 FARRINGDON COURT	ERLEIGH ROAD		READING
£ 115,000.00	15/01/2021	RG1 5NX	F	N	L	37	398	£ 289			1 GRANBY COURT		READING
£ 183,500.00	06/04/2021	RG1 5PS	F	N	L	43	463	£ 396	FLAT 2		63 ALEXANDRA ROAD		READING
£ 160,000.00	26/03/2021	RG1 5RF	F	N	L	33	355	£ 450		18 CHARFIELD COURT	HAMILTON ROAD		READING
£ 250,000.00	14/05/2021	RG1 5RW	F	N	L	87	936	£ 267		20 OAKLANDS	BULMERSHE ROAD		READING
£ 180,000.00	19/03/2021	RG1 5RX	F	N	L	45	484	£ 372		8 TREYARNON COURT	EASTERN AVENUE		READING
£ 265,000.00	26/05/2021	RG1 5RX	F	N	L	87	936	£ 283		41A	EASTERN AVENUE		READING
£ 150,000.00	31/03/2021	RG1 5SB	F	N	L	39	420	£ 357	FLAT 1		11 CARNARVON ROAD		READING
£ 205,000.00	15/03/2021	RG1 6AQ	F	N	L	55	592	£ 346	FLAT 7	PARK LODGE, 23	CASTLE CRESCENT		READING
£ 163,750.00	31/03/2021	RG1 6BQ	F	N	L	41	441	£ 371			17 CHERITON COURT		READING
£ 220,000.00	31/03/2021	RG1 6DA	F	N	L	56	603	£ 365			22 YEW LANE		READING
£ 285,000.00	28/01/2021	RG1 6DD	F	N	L	53	571	£ 500			3 THE BROOKMILL		READING
£ 208,000.00	31/03/2021	RG1 6HF	F	N	L	55	592	£ 351			4 ST PAULS COURT		READING
£ 151,000.00	06/05/2021	RG1 6HF	F	N	L	41	441	£ 342			8 ST PAULS COURT		READING
£ 235,000.00	23/04/2021	RG1 6HP	F	N	L	74	797	£ 295		10 VALERIE COURT	BATH ROAD		READING
£ 225,000.00	28/05/2021	RG1 6HP	F	N	L	70	753	£ 299		29 VALERIE COURT	BATH ROAD		READING
£ 227,000.00	15/04/2021	RG1 6HW	F	N	L	74	797	£ 298		21 CAROLINE COURT	BATH ROAD		READING
£ 230,000.00	22/01/2021	RG1 6HW	F	N	L	68	732	£ 314		28 CAROLINE COURT	BATH ROAD		READING
£ 162,000.00	19/03/2021	RG1 6NB	F	N	L	36	388	£ 418	FLAT E		4 BATH ROAD		READING
£ 190,000.00	05/01/2021	RG1 6PH	F	N	L	76	818	£ 232		18 PETWORTH COURT	BATH ROAD		READING
£ 223,500.00	03/03/2021	RG1 6PH	F	N	L	80	861	£ 260		35 PETWORTH COURT	BATH ROAD		READING
£ 300,000.00	23/04/2021	RG1 6PN	F	N	L	88	947	£ 317	FLAT 31	UPCROSS HOUSE	UPCROSS GARDENS		READING
£ 222,500.00	15/03/2021	RG1 6QG	F	N	L	45	484	£ 459			40 MALTINGS PLACE		READING
£ 168,000.00	30/06/2021	RG1 6QP	F	N	L	54	581	£ 289	FLAT 1	RADNOR HOUSE	REMBRANDT WAY		READING
£ 189,950.00	14/05/2021	RG1 6QP	F	N	L	57	614	£ 310	FLAT 6	RADNOR HOUSE	REMBRANDT WAY		READING
£ 225,000.00	08/04/2021	RG1 6QR	F	N	L	56	603	£ 373	FLAT 9	CHARNWOOD HOUSE	REMBRANDT WAY		READING
£ 165,000.00	29/01/2021	RG1 6SP	F	N	L	47	506	£ 326			53 ADMIRALS COURT		READING
£ 210,000.00	26/03/2021	RG1 6SW	F	N	L	46	495	£ 424			22 ADMIRALS COURT		READING
£ 200,000.00	12/03/2021	RG1 7AA	F	N	L	38	409	£ 489	FLAT 4	OXFORD HOUSE	CHEAPSIDE		READING
£ 195,000.00	07/04/2021	RG1 7BJ	F	N	L	47	506	£ 385		21 THE CHATHAM	THORN WALK		READING
£ 207,500.00	16/04/2021	RG1 7JZ	F	N	L	49	527	£ 393	FLAT 4		16 GOLDSMID ROAD		READING
£ 140,000.00	25/06/2021	RG1 7NP	F	N	L	34	366	£ 383	FLAT C		13 GEORGE STREET		READING
£ 125,000.00	26/03/2021	RG1 7NT	F	N	L	30	323	£ 387		4	22 GEORGE STREET		READING
£ 128,000.00	17/02/2021	RG1 7NT	F	N	L	24	258	£ 495		42C	GEORGE STREET		READING
£ 125,000.00	29/06/2021	RG1 7PP	F	N	L	59	635	£ 197	FLAT 3	MASON COURT	MASON STREET		READING
£ 370,000.00	06/04/2021	RG1 7RP	F	N	L	110	1184	£ 312		10 HERITAGE COURT	CASTLE HILL		READING
£ 265,000.00	16/04/2021	RG1 7RP	F	N	L	68	732	£ 362		2 HERITAGE COURT	CASTLE HILL		READING
£ 217,000.00	24/02/2021	RG1 7RP	F	N	L	46	495	£ 438		8 HERITAGE COURT	CASTLE HILL		READING
£ 161,000.00	31/03/2021	RG1 7RW	F	N	L	45	484	£ 332	FLAT 4		130 CASTLE HILL		READING
£ 230,000.00	23/07/2021	RG1 7RY	F	N	L	83	893	£ 257	FLAT 1	BLACKALL COURT, 25	CASTLE STREET		READING
£ 215,000.00	23/03/2021	RG1 7SY	F	N	L	58	624	£ 344	FLAT 4		125 CASTLE HILL		READING
£ 120,000.00	25/02/2021	RG1 7TR	F	N	L	58	624	£ 192		15 TETBURY COURT	PROSPECT STREET		READING
£ 200,000.00	06/04/2021	RG1 7XR	F	N	L	65	700	£ 286		36 BRANKSOME COURT	PROSPECT STREET		READING
£ 195,000.00	29/06/2021	RG1 7XS	F	N	L	40	431	£ 453			10 HOWARD STREET		READING
£ 290,000.00	23/04/2021	RG1 7XU	F	N	L	102	1098	£ 264		6A	BAKER STREET		READING
£ 300,000.00	07/05/2021	RG1 7YT	F	N	F	89	958	£ 313		10A	BRUNSWICK HILL		READING

£	222,500.00	20/04/2021	RG17YU	F	N	L	70	753	£	295	FLAT D	GORDON LODGE, 53	BRUNSWICK HILL	READING
£	325,000.00	15/02/2021	RG18AB	F	N	L	73	786	£	414		26 LUSCINIA VIEW	NAPIER ROAD	READING
£	275,000.00	07/04/2021	RG18AF	F	N	L	70	753	£	365		107 LUSCINIA VIEW	NAPIER ROAD	READING
£	290,100.00	13/04/2021	RG18AF	F	N	L	71	764	£	380		126 LUSCINIA VIEW	NAPIER ROAD	READING
£	250,000.00	05/05/2021	RG18AQ	F	N	L	70	753	£	332		233 LUSCINIA VIEW	NAPIER ROAD	READING
£	220,000.00	15/03/2021	RG18BQ	F	N	L	49	527	£	417			1 KINGFISHER PLACE	READING
£	560,000.00	08/06/2021	RG18DS	F	N	L	111	1195	£	469			5 CAVERSHAM WHARF	READING
£	300,000.00	05/03/2021	RG18DS	F	N	L	59	635	£	472			25 CAVERSHAM WHARF	READING
£	325,000.00	30/03/2021	RG18DW	F	N	L	73	786	£	414			11 ISIS COURT	READING
£	305,000.00	29/01/2021	RG18DW	F	N	L	78	840	£	363			12 ISIS COURT	READING
£	300,000.00	21/04/2021	RG18QS	F	N	L	65	700	£	429	FLAT 18	REGENTS RIVERSIDE	BRIGHAM ROAD	READING
£	25,769,802.00						6601	71055	£	363				
£	243,111.34						62.27	670						

price_paid	deed_date	postcode	roperty_typ	new_build	estate_type	Beds	NSA (sqm)	NSA (sqft)	£ per sqft	saon	paon	street	locality	town
£ 245,000	18/12/2020	RG1 7QB	F	N	L		71	764	£ 320.57	FLAT 12	CASTLE GATE, 114	CASTLE STREET		READING
£ 295,000	02/12/2016	RG1 7QB	F	N	L		62	667	£ 442.02	FLAT 2	CASTLE GATE, 114	CASTLE STREET		READING
£ 230,000	23/07/2021	RG1 7RY	F	N	L		83	893	£ 257.43	FLAT 1	BLACKALL COURT, 25	CASTLE STREET		READING
£ 188,500	27/02/2019	RG1 7RY	F	N	L		38	409	£ 460.83	FLAT 4	BLACKALL COURT, 25	CASTLE STREET		READING
£ 250,000	21/04/2017	RG1 7RY	F	N	L		53	571	£ 438.21	FLAT 5	BLACKALL COURT, 25	CASTLE STREET		READING
£ 172,000	13/09/2019	RG1 7RY	F	N	L		39	420	£ 409.71	FLAT 6	BLACKALL COURT, 25	CASTLE STREET		READING
£ 285,000	08/03/2018	RG1 7SB	F	N	L		82	883	£ 322.88	FLAT 2	3-5	CASTLE STREET		READING
£ 192,000	03/04/2018	RG1 7SB	F	N	L		49	527	£ 364.02	2	7	CASTLE STREET		READING
£ 200,000	19/10/2016	RG1 7SN	F	N	L		30	323	£ 619.33	FLAT 1	57	CASTLE STREET		READING
£ 220,000	14/02/2020	RG1 7SN	F	N	L		40	431	£ 510.95	FLAT 10	57	CASTLE STREET		READING
£ 210,000	19/10/2016	RG1 7SN	F	N	L		33	355	£ 591.18	FLAT 11	57	CASTLE STREET		READING
£ 267,950	25/11/2016	RG1 7SN	F	N	L		44	474	£ 565.74	FLAT 12	57	CASTLE STREET		READING
£ 175,000	18/01/2017	RG1 7SN	F	N	L		30	323	£ 541.92	FLAT 2	57	CASTLE STREET		READING
£ 195,000	16/11/2016	RG1 7SN	F	N	L		30	323	£ 603.85	FLAT 3	57	CASTLE STREET		READING
£ 165,000	10/11/2016	RG1 7SN	F	N	L		27	291	£ 567.72	FLAT 4	57	CASTLE STREET		READING
£ 196,500	16/12/2016	RG1 7SN	F	N	L		30	323	£ 608.50	FLAT 5	57	CASTLE STREET		READING
£ 210,000	02/11/2016	RG1 7SN	F	N	L		36	388	£ 541.92	FLAT 6	57	CASTLE STREET		READING
£ 193,000	19/10/2016	RG1 7SN	F	N	L		30	323	£ 597.66	FLAT 8	57	CASTLE STREET		READING
£ 200,000	09/11/2016	RG1 7SN	F	N	L		36	388	£ 516.11	FLAT 9	57	CASTLE STREET		READING
£ 4,089,950							843.00	9074	£ 450.72					



10 Castle Street, Reading RG1 7RD – Financial Viability Assessment – October 2021

Appendix 4 – Construction Cost Estimate

10 Castle Street, Reading - Construction Cost Estimate

Schedule of Accomodation	Total estimated GIA	435							
	Takeaway Ground	107.8	1160						
	Takeaway Basement							1	
	Flat A	61.6	663	third floor	1-bed				
	Flat B	56	603	second floor	1-bed				
	Flat C	64.2	691	first floor	2-bed				
	Flat D	57.3	617	ground floor	1-bed				
	Total	346.9	3734						
	Approx Gross:Net	79.75%							
	Circulation/storage	88.10							
	435.00							4690 sqft	
		Qty	Unit	Rate	Total	£ per sqft			
Facilitating Works	Internal Strip-out of entire existing building	435	m ²	£ 35	£ 15,225	£ 3.25			
	Partial demolition of single storey rear extension	54	m ²	£ 50	£ 2,700	£ 0.58			
	Limited roof repairs	1	Item		£ 15,000	£ 3.20			
	Re-pointing & brickwork repairs	1	Item		£ 15,000	£ 3.20			
Building Envelope	Installation new shop front & door	10	m ²	£ 950	£ 9,500	£ 2.03			
	Installation replacement double-glazed timber sash windows to match existing	13	Item	£ 900	£ 11,700	£ 2.49			
	Installation new patio doors to Flat D	2	Item	£ 2,000	£ 4,000	£ 0.85			
Restaurant / Takeaway	Shell refurbishment, service installations, FF&E	107.8	m ²	£ 600	£ 64,680	£ 13.79	£ 55.74		
Flat D	All-in allowance, including construction new single storey extension	57.3	m ²	£ 1,500	£ 85,950	£ 18.33	£ 139.35		
Flat C	All-in allowance	64.2	m ²	£ 1,500	£ 96,300	£ 20.53			
Flat B	All-in allowance	56	m ²	£ 1,500	£ 84,000	£ 17.91			
Flat A	All-in allowance	61.6	m ²	£ 1,500	£ 92,400	£ 19.70			
Communal Areas & Storage	All-in allowance	88.1	m ²	£ 850	£ 74,885	£ 15.97			
External Works	All-in allowance Flat D patio garden & wall	22	m ²	£ 250	£ 5,500	£ 1.17			
Sub-Total				£ 1,326	£ 576,840	£ 122.99			
Main Contractor's Preliminaries				15.00%	£ 86,526	£ 18.45			
Overheads & Profit				10.00%	£ 66,337	£ 14.14			
Total Building Works Estimate				£ 1,677	£ 729,703	£ 155.59			
Design Development Contingency				5.00%	£ 36,485	£ 7.78			
Construction Risk Contingency				5.00%	£ 36,485	£ 7.78			
Total including Risk Contingencies				£ 1,845	£ 802,673	£ 171.15			