



U.L.L. Property

DEVELOPMENT | AFFORDABLE HOUSING

Financial Viability Assessment Report

**138-144 Friar Street
Reading
RG1 1EX**

Reading Borough Council

National Pub Portfolio Limited

August 2026



1. Executive Summary

- 1.1 As part of the detailed planning application, National Pub Portfolio Limited has instructed U.L.L. Property to assess, and report on, the financial viability of providing affordable housing and Section 106 financial contributions as part of the development proposal.
- 1.2 The Reading Borough Council has policy targets for affordable housing provision as part of new residential developments, and these targets are not intended to restrain development, based on the outcome of financial viability testing.
- 1.3 The proposed planning application seeks permission for *"Phased redevelopment of the site involving the demolition of Nos. 138–141 and 142–143 Friar Street, partial demolition of No. 144 Friar Street, and erection of a basement and 6-storey building to provide co-living residential accommodation (purpose-built shared living accommodation – Sui Generis use class), together with the partial retention of the former Bugle Public House as a standalone Class E commercial."*
- 1.4 The Gross Development Value for the scheme is £32,487,000 (rounded) based on the co-living investment value.
- 1.5 The Argus appraisal for the proposed development calculates a residual land value for the proposed development of -£2,942,000 (negative, rounded).
- 1.6 The Benchmark Land Value is assessed to be £2,532,000 for the purpose of assessing scheme viability.
- 1.7 In conclusion, the subject proposals do not viably sustain an affordable housing contribution.



8. Summary of the Appraisal

- 8.1 For ease of reference we provide here a summary of the Argus appraisal relating to this project, demonstrating the viability position:

138-144 Friar Street				
	Summary Appraisal			
	Costs			
			£	
	Construction costs		22,580,000	
	Contingency		677,000	
	Professional fees		2,258,000	
	CIL		591,000	
	Marketing, letting, disposal & legals		2,287,000	
	Total finance costs		2,163,000	
	Developer Return		4,873,000	
	Total costs		35,429,000	
	Revenue			
	Co-Living Investment		32,487,000	
	Total sales		32,487,000	
	Residual Land Value		-2,942,000	
	Benchmark Land Value		2,532,000	
	RLV-BLV (net residual)		-5,474,000	

- 8.2 The fact that the Residual Land Value is negative indicates the project is unable to sustain contributions to affordable housing or further financial contributions.



U.L.L Property

info@ullproperty.com

