Student Investment Opportunity

1 & 3 CHARNDON CLOSE

Reading | RG2 0WP

allsop

1 & 3 CHARNDON CLOSE

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Investment Considerations

- Freehold student investment opportunity comprising 38 studios across two blocks
- Brick built buildings, newly constructed for 2024 to a high specification
- Spacious studios, as large as 38.8 sq m
- In an excellent location, situated within a 15-minute walk from The University of Reading's London Road Campus as well as the city centre
- Strong market fundamentals with increasing demand and no further student beds currently in the pipeline
- Potential for significant rental uplift upon full stabilisation of the asset
- Forecasted Rental Income for AY 24/25 is £493,170
- EPC rated A

Proposal

Offers are invited in excess of **£6,200,000** reflecting a **gross yield of 7.95%** based upon forecasted rental income for AY 24/25 and reflecting a **low price per studio of £163,15**


Reading
Train Station
University Collage of
Estate Management
University of Reading -
London Road Campus
CHARNDON
CLOSE
University of Reading -
London Road Campus

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LOCATION

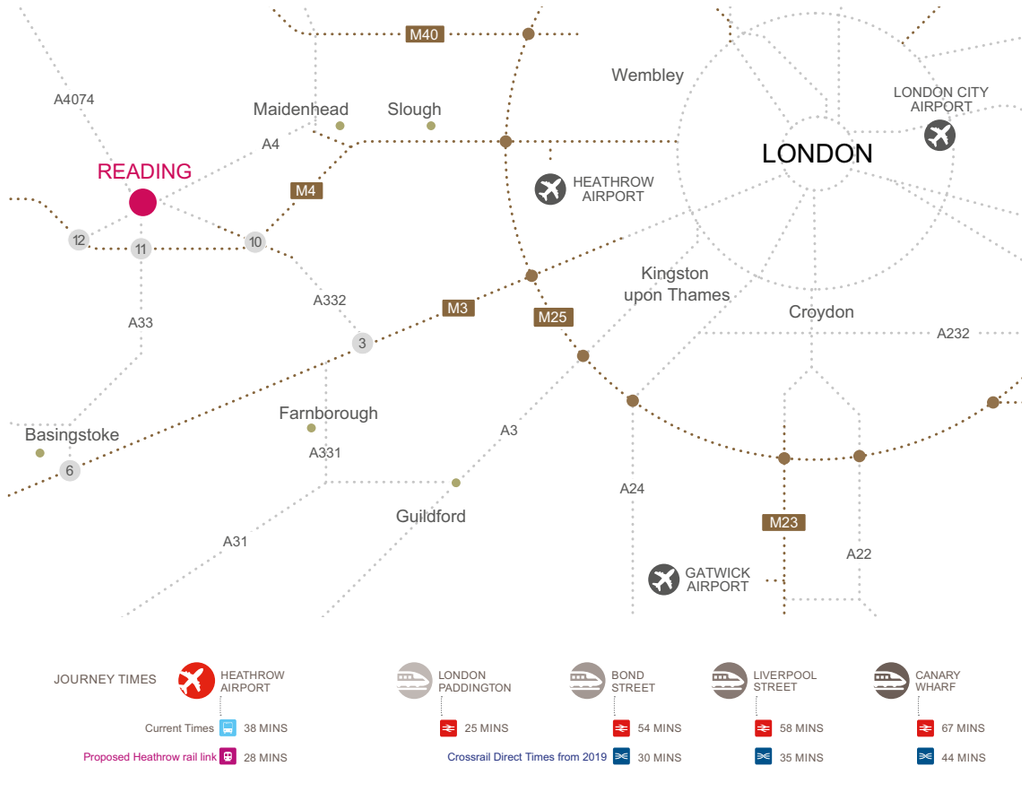
1 & 3 Charndon Close is situated in a prominent position, within a 15-minute walk from The University of Reading's London Road Campus (and Royal Institute of Architects) and only an 18-minute walk from the main University of Reading Campus. The city centre is also a short 15-minute walk away from the subject.

Reading is located in Berkshire, southeast of England. Reading is approximately 40 miles west of London, 70 miles east of Bristol and 81 miles southeast of Birmingham.

The M4 motorway is positioned to the south of Reading and provides access east to west from London to Swansea within 4 hours. The nearest airport is London Heathrow Airport (LHR) which is approximately 22 miles east. Reading has one main train station which provides direct access to Paddington within 25 minutes. Reading train station can be reached from 1 & 3 Charndon Close in circa 24 minutes by foot. Public transport within Reading is generally through bus routes and operates city-wide throughout the Borough of Reading.

The Oracle shopping centre is located within a 13-minute walk of 1 & 3 Charndon Close which offers a large range of shops, bars, and restaurants as well as a Vue Cinema.













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Tenure

Freehold. Title No: BK117512.

Description

1 & 3 Charndon Close comprises two newly built, brick-constructed buildings, completed between 2023 and 2024. The opportunity provides 38 studios in total, 18 within Block 1 and the remining 20 within Block 3. Both blocks span over three floors and share 10 car parking spaces.

The studios have all been developed to a high specification and are spacious, ranging in size from 14.1 sq m to 38.8 sq m. There are two communal laundry rooms within each block of studios with ample washing and drying machines. A communal amenity area is also available on the ground floor of each block for occupants to use.









Rental Income

ROOM TYPE	BEDROOMS	SIZE (sqm)	FORECASTED RENT (PW)
Bronze Studio	11	14.1 - 15.8	£230.00
Silver Studio	16	16.2 - 18.6	£250.00
Gold Studio	4	19.6 - 22.1	£270.00
Platinum Studio	3	24.1 - 26.2	£280.00
Platinum Plus Studio	4	32.2 - 38.8	£305.00

The forecasted rental income for AY 24/25 is £493,170 based upon 51 week tenancies. The development has recently completed and has been let for the remaining period prior to next academic year.

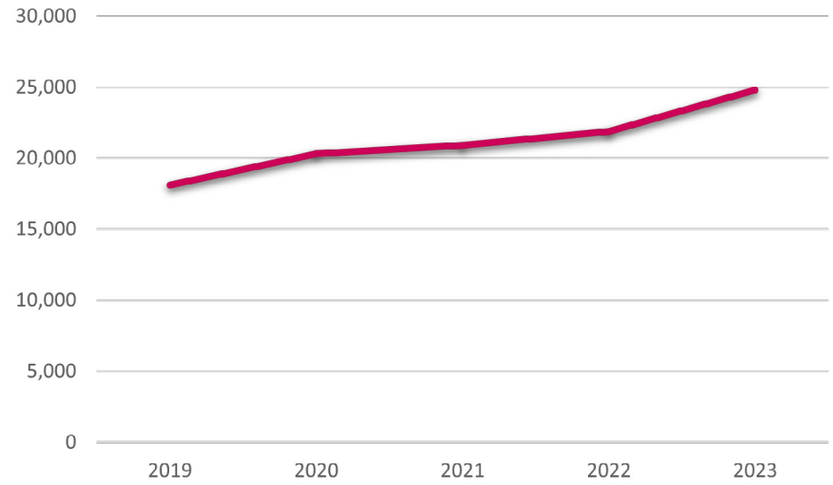
Rental Comparables

OPERATOR	RESIDENCE	AVERAGE RENT (PW)
Bagri Foundation	Kings Road	£216.67
CRM Students	Central Studios Reading	£244.17
	1 & 3 Charndon Close	£254.00
Homes for Students	Crown House	£276.50
CityBlock	CityBlock Reading	£272.60
Aparto Student	Queens Court	£274.25
Homes for Students	Kendrick Hall	£292.50
Hello Student	Saxon Court Apartments	£296.60
Homes for Students	New Century Place	£300.83
Homes for Students	79 Silver Street	£367.00
AVERAGE		**£279.51**

The table above shows the average rents of studios across purpose-built schemes in Reading. The average rent of a studio at 1 & 3 Charndon Close is 15.2% below the average. Therefore, there is potential to significantly increase the estimated rents of the subject.

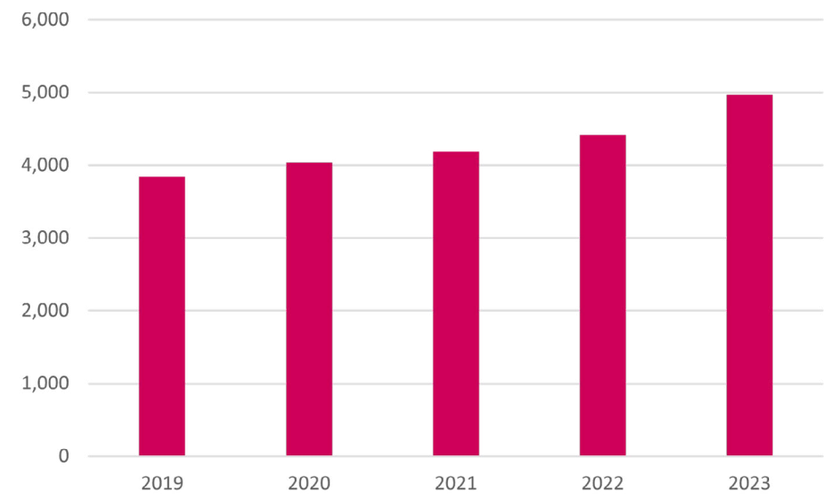
Student Data

Number of main scheme applications



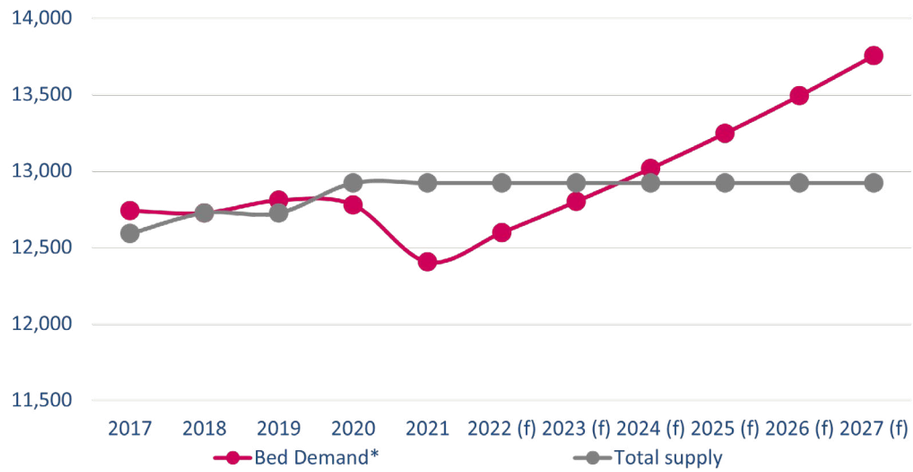
The number of main university scheme applications for the University of Reading has increased year-on-year since 2019, **increasing by 37%**.

Number of accepted applicants



A record number of students started undergraduate degrees at the University of Reading in September 2023, following the fourth successive rise in applications. The number of accepted applicants are up by 29.4% from 2019.

Supply and Demand



At this moment in time, there are no further beds coming forward in the planning pipeline. Therefore, demand for beds is predicted to outgrow supply. By 2027, there is expected to be a shortfall of 833 beds.

University of Reading

There are 14,675 full-time students enrolled at the University of Reading (HESA 2021/2022). The University of Reading ranks 30th in the Times and Sunday Times Good University Guide 2024, a rise of 4 places from last year.

The university has performed strongly in recent years which has been shown by the 49-place increase for student satisfaction with the wider undergraduate experience as well as a 36-place improvement for satisfaction with teaching quality, according to the latest National Student Survey.

Reading has received a large amount of investment including a £200million campus development programme. Within this development, there was a new Health and Life Sciences Building completed last year which includes one of the largest teaching labs in the UK. Previous developments include the £40million refurbishment of the main campus library.

The University of Reading is one of the leading universities for the study of climate change and won the Queen's Anniversary for its research and teaching in the area in 2022. The 320-acre Whiteknights campus is the university's main campus and has received 13 consecutive Green Flag awards, recognising it as one of Britain's top green spaces.

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FURTHER INFORMATION

Additional Information can be found via the following data room: xxxxxxxxxxxxxxxxxxxxx

AML

A successful bidder will be requested to provide information to satisfy the AML requirements when Heads of Terms are agreed.

METHOD OF SALE

The subject is for sale by way of Private Treaty; however we reserve the right to conclude the marketing process by way of an Informal Tender process.

VIEWING INFORMATION

We will be running viewings on request. Please contact the office if you wish to view.

PROPOSAL

Offers are invited in excess of **£6,200,000 (Six Million Two Hundred Thousand Pounds)** reflectiing a **gross yield of 7.95%** based upon forecasted rental income for AY 24/25 and reflecting a **low price per studio of £163,157**.

CONTACTS

For further information or to make arrangements for viewing please contact:

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