



# Reading Report

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## **Contents**

<b>Executive Summary</b>	<b>3</b>
<b>Reading Profile</b>	<b>3</b>
<b>Economic Overview</b>	<b>4</b>
<b>Developments</b>	<b>6</b>
<b>Transport</b>	<b>7</b>
<b>Leisure Overview</b>	<b>8</b>
<b>Tourism</b>	<b>9</b>
<b>Supply of Rooms</b>	<b>10</b>
<b>Annual Occupancy, ADR and Room Yield Figures</b>	<b>10</b>
<b>Current Local Hospitality Market</b>	<b>11</b>
<b>The Team</b>	<b>12</b>

## Executive Summary

Reading has been known as a commuter town for those working in London but has a thriving business environment that rivals the capital. Many global companies have relocated to the town because of transport links, available housing and a good quality of life for their employees. Moreover, it is an established leisure destination, offering a diverse range of retail choices with bars, restaurants and shopping centres. The appeal doesn't stop there, with an abundance of green spaces, visitors and residents can escape to the countryside and the river.

## Reading Profile

Reading is the county town of Berkshire, a minster town it has become known for its leading university and education. As well, it is a popular location for business headquarters and commuters going to London. Consequently, it has become a major commercial and retail centre and is ranked as the UK's top economic area for success and wellbeing. The town has a population of over 229k people, with the wider urban area home to over 300k this includes Reading and Wokingham.



## Cultural place, business space, living base

2nd most productive economy after London<sup>1</sup> – £70,900 GVA per worker

2nd to London for the concentration of SMEs<sup>2</sup>



150 LANGUAGES ARE SPOKEN ACROSS THE BOROUGH DEMONSTRATING THE TOWN'S RICH CULTURAL DIVERSITY<sup>3</sup>

Reading town centre is a UK top 20 retail destination<sup>4</sup> and the number one retail centre in the Thames Valley, with a primary catchment of 650,000



20% of University of Reading graduates remain in the Reading area after graduation<sup>4</sup>

Almost 50% educated to NVQ4/graduate level or above<sup>5</sup>



Reading Business Improvement District comprises over 500 town centre businesses. Jointly, they contribute over £500,000 of annual investment in the town centre

25 minutes by direct rail link to London with over 200 trains servicing the route daily



The University of Reading is ranked in the world's top 200<sup>6</sup> with world-leading research in areas such as climate change, health, business and archaeology. 78% of the University's research is classified as internationally excellent<sup>7</sup>

Best place to live and work in the UK<sup>8</sup> including health and income



Crossrail – Reading will be the most westerly station on the TfL transport map when the Elizabeth Line (Crossrail) opens in 2019 linking Reading with central London, the City and Docklands



Home to 13 of the world's top 30 brands

READING IS RANKED IN THE TOP 16% OF THE COUNTRY FOR ITS HERITAGE ACCORDING TO THE RSA NATIONAL HERITAGE INDEX 2015 WITH ITS MUSEUMS, ARCHIVES AND ARTEFACTS IN THE TOP 2% IN THE UK

OFFICE SPACE WITHIN 500M OF READING STATION. 3.7M SQ FT OF WHICH 1.7M SQ FT IS AVAILABLE OR WILL BE ONCE PROPOSED DEVELOPMENTS ARE COMPLETE (INCLUDES STATION HILL)

Reading has the highest density of tech businesses in the UK. More than one in five businesses in Reading are classed as tech companies, three times the national average<sup>9</sup>. Overall, over 40,000 businesses in Reading are designated tech businesses.



Reading has 2 of the top 10 schools in the UK by GCSE results and has the best A Level results of any local authority area in the country

## Economic Overview

Reading is an important commercial centre in the South of England and is the capital of business in the Thames Valley. Its location to London has made it a popular area for those commuting into London, as well as those commuting to Reading as a result of the companies there. During the morning rush hour, Reading can see 30k inward arrivals compared to 24k departures, emphasising the towns status as an important commercial centre.

Companies that reside in Reading include:

Gillette	Microsoft	PricewaterhouseCoopers
Foster Wheeler	Thames Water	Huawei
Oracle	Prudential	SSE
Intel	PepsiCo	KPMG
Verizon	HSBC	Visa

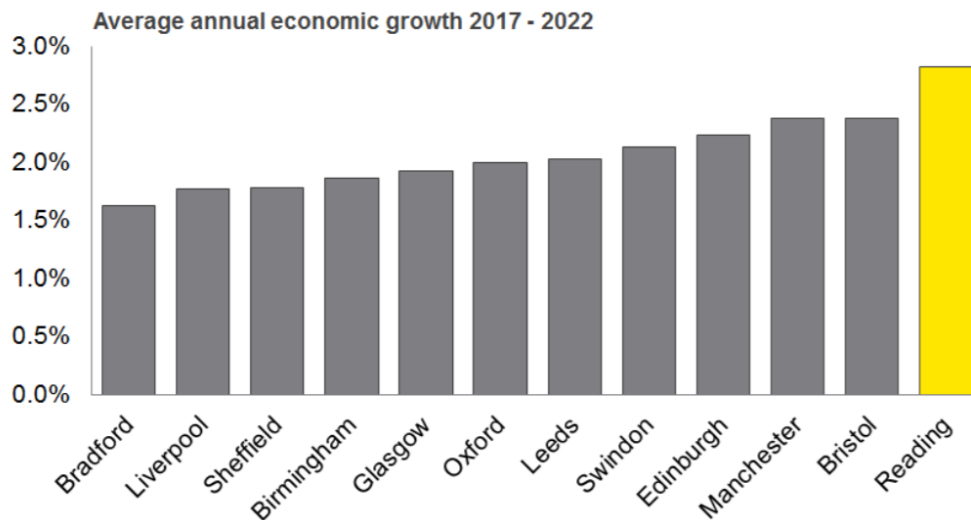
Many of these companies can be found in the Thames Valley, Green Park and Reading International Business Parks. Whilst outside of the town centre, there is public transport from the station meaning the residents and commuters can travel in to work with ease. Despite the popularity of the business parks, there are still many companies who have offices in the town centre conveniently located near the regenerated railway station. Consequently, many do not have to commute for long and it can be more affordable as a result.

The EY UK and Regions Report forecast that Reading would be the fastest growing economy in the UK, and it is no surprise given how successful the town is. Reading has the 2<sup>nd</sup> highest number of businesses in the UK according to the Centre for Cities, approximately 474 per 10k people. With such a high number of businesses, it has eight times the UK average concentration of tech businesses (Tech Nations 2018) and the 6<sup>th</sup> highest start-up rate in the UK. This has led to Reading having the 2<sup>nd</sup> highest GVA per worker outside of London, at £70.9k.

The digital sector accounts for 25% of Reading's GVA and is the UK's fastest growing sector of which Reading is reaping the benefits of. With companies such as Microsoft and Huawei having campuses in the town, it emphasises the growth and sustainability of Reading as a commercial centre. In addition to the digital sector, the professional services sector has contributed to Reading's strong performance. This is reflective of Reading's position by the M4 making the town easily accessible nationally and from within the Thames Valley.

The knowledge services sector makes up 40% of Reading's businesses, making the town the 1<sup>st</sup> in the UK as a tech employment cluster. As a result, over 20% of the Souths independent tech companies are here. The creative sector has seen a growth in employment but is still an emerging industry amongst competitors.

Reading's economy has greatly benefited from the education in the town, with a highly ranked university and exceptional schooling. This has led to Reading being the 6<sup>th</sup> most qualified city in the UK, with 20% of University students staying in the area. Therefore, Reading benefits from a young and highly skilled workforce, who are choosing to stay in the Thames Valley because of the quality of life offered.



Source: Living Reading



## Developments

Reading was ranked amongst the top 25 most attractive European cities for Foreign Direct Investment, emphasising the appeal of the town as an investment and development centre.

Reading 2050 is a new scheme in partnership with Barton Willmore, Reading UK and the University of Reading to use the people of the town to support Reading's economic growth. Therefore, creating an environment that will inspire those at the heart of



Source: Living Reading

the town. There are three core themes that Reading 2050 will focus on, "A Green Tech City", "A City of Culture & Diversity" and "A City of Rivers & Parks". A Green Tech City wants to build on established sectors whilst supporting small businesses and start-ups through the provision of new facilities and infrastructure. This will include re-fitting existing buildings and developing a greener architecture to promote sustainability. In addition to this there will be a focus on electric and low carbon methods, both in the technology used and transport. A City of Culture & Diversity focuses on promoting the rich history of Reading, specifically refurbishing the heritage assets such as Reading Abbey and Reading Prison. This if capitalised on will make Reading more than just a retail tourist destination, but one that holds cultural significance. Additionally, the aim is to diversify retail offering, by delivering more local and independent brands to attract a wider consumer market. Finally, A City of Rivers & Parks wants to encourage the provision of more green space which will then utilise the canals and waterways as a renewable energy source.

The Economic Development Plan will run until 2020, where it will give way to Reading 2050 but until then there are three main themes to the strategy. These are similar to Reading 2050 in providing a cultural place, business space and a living base for residents. The EDP wants to support opportunities for the employment of local people by developing apprenticeships through building relationships between schools and businesses. Moreover, the new infrastructure projects will provide new job opportunities to residents. The EDP additionally wants to engage key local sectors by providing help to employers so they can retain and grow jobs. Finally, the EDP will raise the profile of Reading as a commercial and leisure centre, campaigning to attract more businesses.

## Transport

Reading's rail station saw a significant £900m investment and was reopened in 2014, it greatly improved connectivity and vastly reduced the bottleneck. The station will be developed in the future as a Crossrail terminus, which will provide greater access to London and will be vital to commuters. With over 200 trains a day, it is no surprise that Reading is the ninth-busiest station in the UK and the second busiest interchange outside of London. In 2017/18, over 16m passengers used the station and over 3.8m changed there. Additionally, the station is operated by three companies allowing for visitors to easily access and visit Reading with convenience.

Destination	Time
London Paddington	26min
Oxford	32min
London Liverpool Street	57min
Bristol	1h 22min
Birmingham	1h 35min
Liverpool	3h 29min

Reading is within a close proximity of Heathrow Airport, and is the main choice for those living in the Thames Valley. Heathrow Airport is the busiest airport in Europe, and in 2018 welcomed a record 80m passengers. 84 airlines fly to over 200 destinations, with 94% being international passengers, of the total passengers arriving at Heathrow 33% were business travellers.

Subsequently, it is a major international airport due to its proximity to London and is also near to Reading. It is a 45-minute drive to Heathrow but can also be accessed via RailAir which is a cost-effective mode of transport that leaves Heathrow every 20 minutes.

The M4 is connected to Reading by three junctions, linking the town to the West of London and Southwest Wales passing by Bristol and Cardiff with junctions to Oxford and Bath. Reading is also served by five A roads, connecting Reading to Basingstoke, Guildford and Oxford. These main roads have allowed Reading to be easily accessed by tourist and business travellers, ensuring that the town is well connected.

## Leisure Overview

Reading was recently named City/Town of the Year in the Thames Valley Property Awards 2019, and it is clear to see why. The town has a variety of leisure opportunities and is one of the top 20 UK Retail Destinations. Shopping is a key attraction of Reading, with two malls and three department stores. With over 22m retail visitors a year and an annual turnover of £780m, Reading is a major regional retail centre.

The Oracle has the most visitors with over 15m a year, and over 100 shops across three floors. Opened in 1999 it regenerated the canal of Reading, with the riverside area having popular restaurants and a Vue cinema. Inside The Oracle there are two department stores and many seasonal pop-ups such as Tiki bars and Winter Forests.



Reading has a vibrant nightlife scene filled with clubs, bars and performance venues. With 16 bars and nightclubs, there is no shortage of themes on a night out ranging from Pacific to Australian. Additionally, there are many restaurants outside of The Oracle, only adding more on offer in Reading.

Reading Football Club is a second-tier team who play at the Madejski Stadium on the outskirts of the city. The stadium capacity is over 24k and is regularly packed with fans. Reading Football Club is one of the most decorated teams, holding a European record, 2 Championship titles and 4 division titles. Madejski Stadium is also the location of London Irish home matches, a Rugby Union team. Reading also has successful basketball, hockey and American football teams.



## Tourism

Reading has a long history dating back to the Roman occupation of Britain and the town played a pivotal role in the English Civil War. Additionally, the recent renovations of Reading Abbey have drawn visitors to the town, along with its literary heritage including Jane Austen and Oscar Wilde.

Reading has several museums dedicated the history of the area. The Museum of English Rural Life contains artefacts relating to the agricultural history of Reading and the Thames Valley. In association with the University of Reading, visitors can research the collections and look into the archives. The Reading Town Hall and Museum collects art, archaeology and natural history from both the local area and nationally. It also contains Britain's only copy of the Bayeux Tapestry, and relics of Reading's industrial history.

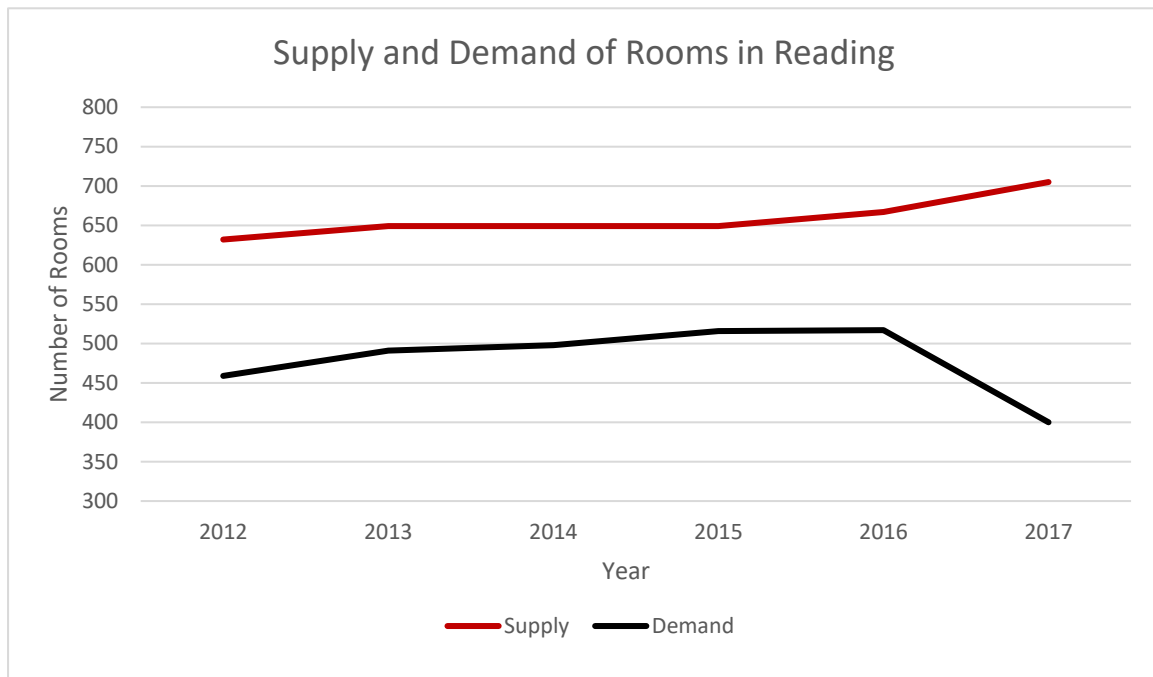
The Abbey Quarter has over 900 years of history all on the former grounds of Reading's royal abbey. The Abbey Quarter used to house Europe's largest monastery but fell into ruin over the years until a £3m project conserved and re-opened the ruins. The Abbey has attracted attention as work is being undertaken to find King Henry I's grave, believed to be on the site.



Reading Festival is a large tourist attraction and is equally well supported by residents. It is the world's oldest music festival that is still in existence, with a record attendance of 90k. The festival has drifted through musical genres but focuses on rock and alternative music with headliners such as The Rolling Stones, Foo Fighters and Eminem. The site is held in Central Reading, with many fans utilising the train station and motorways to reach the event. The event has international acclaim, and is an important element to Reading's economy, providing an economic boost for central Reading and the local areas.

	2017		2016		2015	
	Town/city	Visits (000s)	Town/city	Visits (000s)	Town/city	Visits (000s)
18	Nottingham	267	Reading	245	Reading	236
19	Reading	229	Aberdeen	237	Aberdeen	217

## Supply of Rooms



Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

The graph shows that supply of rooms increased over the 5 years, as well as demand increasing up until 2016. However, demand had a drastic decrease between 2016 and 2017.

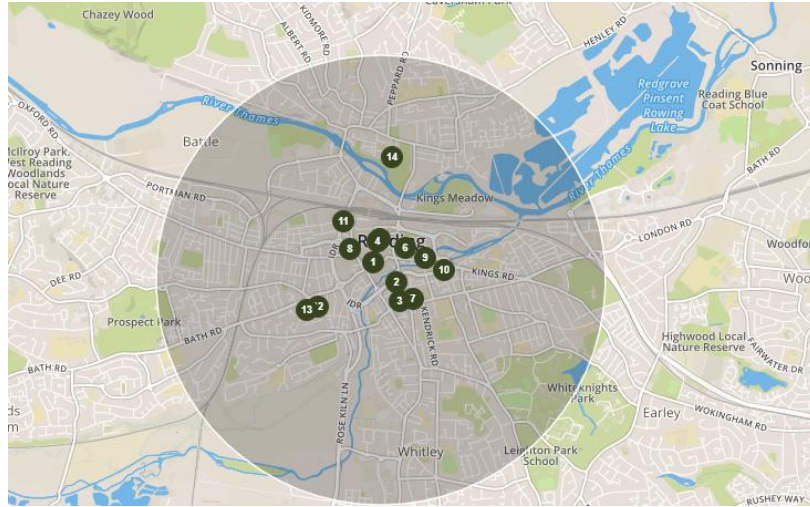
## Annual Occupancy, ADR and Room Yield Figures

Year	Average Occupancy (%)	Average ADR (£)	RevPAR (£)
2019 (Up to August)	71.7	80.45	57.67
<b>Average</b>	<b>71.7</b>	<b>80.45</b>	<b>57.67</b>

Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

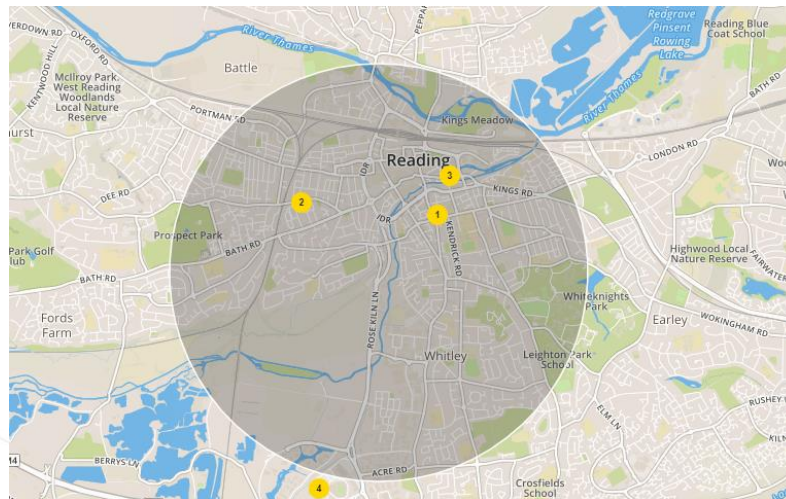
## Current Local Hospitality Market

Within a 1.5-mile radius of Reading Rail Station, there are 15 developments with a total of 362 rooms.



Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

Within a 1.5-mile radius of Reading Rail Station, there are 3 pipeline developments with a total of 107 rooms.



Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

## The Team

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