

*A Review of Corporate Housing Solutions in:*

# Reading

## Housing Market Intelligence Report



## Introduction

**Situated at the centre of the Thames Valley, Reading is often likened to England's version of America's Silicon Valley – a reference to the number of technology businesses such as Microsoft and Oracle that have chosen Reading as the base for their UK Operations.**

Since the advent of the steam age, Reading expanded rapidly in the Victorian Era and today boasts rail access to London in under 30 minutes, making it a popular commuter location as well as a respected business hub in its own right. Enhancing the excellent rail links to London, Bristol, Wales, the Midlands and the North, Reading is also served by the M4 and M40 motorways, ensuring Reading's continued dominance in the region through its swift access to other major UK hubs.

The town has prospered greatly from its location and now affords a recently completed shopping complex, The Oracle, housing many familiar retail brands; similarly, the restaurants

in town offer a wide range of cuisine. To the west of the town centre, Green Park is a new, eco-friendly business park, and to the east is Thames Valley Park; both developments have attracted well-known, multinational organisations to the region and it is the presence of such organisations that has provided the platform for a range of Corporate Housing solutions to develop.

Go Native has set out to research the current market in detail, in order to highlight the extensive cost savings - over 50% in some cases - that can be achieved by favouring dedicated Corporate Housing above traditional hotel accommodations.

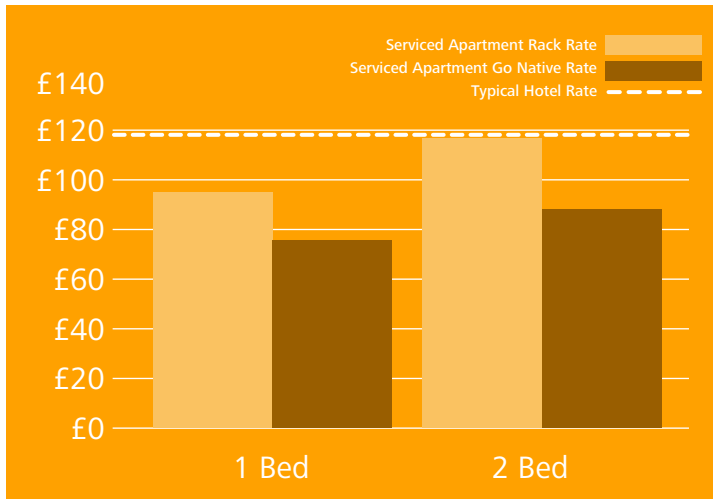
# Serviced Apartments

## Serviced Apartments: A summary of the Reading market

Given Reading's position as an established commercial centre, coupled with its excellent transport links to London, it has a large stock of Serviced Accommodation supplied by a number of competing providers. A good stock of purpose built Serviced Apartment blocks in the area cater for corporate guests; this is a typical characteristic of a mature corporate housing market where solutions can be found near secondary locations such as business parks, rather than the traditional town centre alone.

A mature market of this nature also typically results in competitive pricing, and Reading generally has ample Serviced Accommodation available. Although the majority of the Reading stock consists of Studio, 1-bedroom, and 2-bedroom apartments, some larger properties can be secured, subject to availability.

## Typical Costs 2010 per person per night

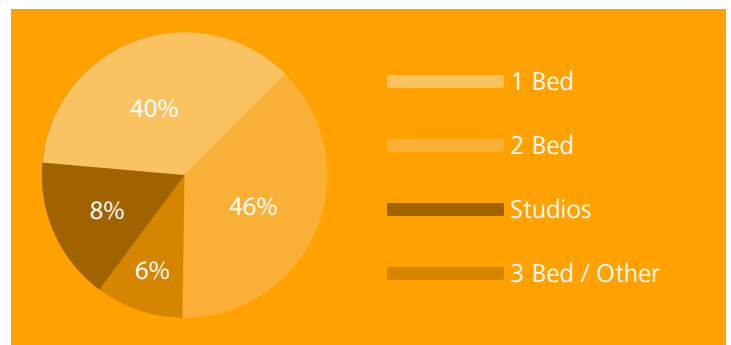


The majority of Serviced Apartments in Reading are found in the town centre and are part of modern new-build developments. Many are within easy walking distance of the train station and in the vicinity of The Oracle shopping centre. There are many local bus services which serve the town centre and surrounding area, including a dedicated shuttle bus to Thames Valley Business Park, which is free of charge.

The past 12 months have seen prices remain stable in the Serviced Apartment market in Reading, and while some suppliers have reduced their portfolios, other providers have entered the local marketplace. This has helped to keep the costs relatively stable and the stock levels consistent. A significant majority of this stock

falls into the 3-star quality category, with approximately one fifth graded as 4-star standard.

## 2010 Serviced Apartment Stock

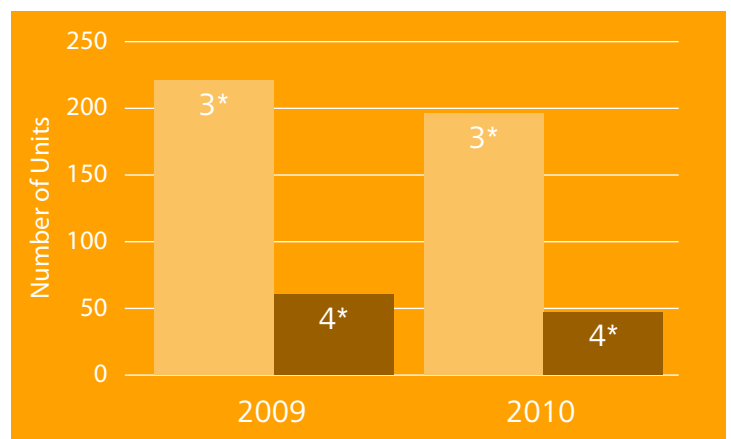


## The Cost Advantage: Savings associated with choosing Serviced Accommodation

The competition in Reading between Serviced Apartment providers demands consistent levels of services and maintenance, and the majority of the serviced accommodation stock in Reading is of a good 3\* standard or better.

Go Native booked over 7,000 nights accommodation in Reading during 2009, and this buying power enables us to maximise cost savings on behalf of our clients. Rates agreed with our preferred Network Partners typically save 20-25% from the Serviced Accommodation rack rates; the savings against equivalent hotel accommodation in the area are even more substantial, particularly when bookings are made for longer durations.

## Serviced Apartment Inventory 2009-10



# Leased Apartments

## Operating a Leased Apartment Portfolio

Renting one or more Leased Apartments offers a corporate client competitively priced accommodation for their employees with security of tenure and consistency of quality.

For the Long Term relocation of employees, a company would typically contract with a Landlord in their own name or that of their relocating employee(s). Using a Corporate Housing Specialist means that a company can contract this out to the Specialist along with delivery and contracting of support services.

The Corporate Housing Specialist will fully manage the Leased Apartment contract process including the Lease negotiations with the Landlord and delivery of all the related services including utilities, local taxes, cable/ satellite, telephone, and housekeeping including cleaning and linen provision.

A corporate housing specialist will also manage portfolio occupancy on behalf of a client allowing a Leased Apartment portfolio to be used for all housing requirements including both short and long stay.

## Average Cost Comparison per person per night



## Considerations

Among the things to consider when evaluating Leased Apartments as a potential solution are:

### Length of Lease

Typically a tenant's break clause of 30 days after 5 months is negotiated, meaning that the minimum lease period is 6 months.

### Deposit

Whilst a six week cash deposit is typically requested, an established corporate housing specialist will provide a letter of indemnity in lieu of a cash deposit.

### Agency Fees

Usually two weeks rent, but can often be negotiated. Particularly where multiple units are required.

## The Costs: Serviced vs Leased Apartments

The chart opposite illustrates the considerable savings to be made through the use of longer term housing solutions. Leased Apartments will deliver savings of nearly 50% relative to the cost of an equivalent standard hotel room. Savings of close to 25% will be delivered relative to the use of Serviced Apartments.

## Leased Apartments: A summary of the Reading market

Reading offers a good range of modern apartment buildings in and around its centre with most having been developed in the mid to late 2000s.

Apartments are well appointed with contemporarily designed interiors and furniture and are within easy walking distance of the town centre, the Oracle shopping centre and the mainline railway station. Buses to the Thames Valley and Green Park business parks are also close by.

Popular developments include Chatham Place, Queens Wharf, Riverside House, Projection West and Q2. The Kennet Island development whilst located 3.5 miles from the town centre, is close to the Green Park business park.

Some other smaller modern developments can also be found further afield in the suburbs at more competitive rents however transportation considerations are likely to come into play as an occupant would need to be willing to use either local buses or a private vehicle.

# Summary

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**In summary, there is an established range of corporate housing options in Reading, and, as is typical in a mature market, the quality of these options is relatively consistent.**

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In order to facilitate the acquisition and management of our clients' corporate housing solutions, Go Native implements a number of measures, including:

1. Validating the quality of turnkey services delivered by a number of local service delivery organisations, to ensure the consistency of service within Leased Apartments;
  2. Identifying local agents with access to a strong supply of modern residential development able to deliver long term Leased Apartments on commercially competitive terms.
  3. Entering into supply agreements with local Serviced Apartment operators including detailed SLA's to ensure delivery of a consistent standard of service;
  4. Assigning our own Go Native Star Rating awards to each property, enabling consistent assessment of the standard of available properties;
  5. Individually inspecting each of the Serviced Apartment solutions that form a part of our approved network to monitor apartment quality.
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**Established in 1997, Go Native is an award winning provider of temporary housing solutions, operating across the UK, EMEA & India.**

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We provide companies with an outsourced corporate housing management service and individual travellers with access to a comprehensive network of over 25,000 Serviced Apartments, all available on a flexible basis. In addition to Serviced Apartments,

the company has established a network of suppliers across the UK, EMEA & India able to deliver bespoke supporting services for longer term housing requirements.

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# Contact Us

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**If you would like to receive further information on the Reading Market or to explore potential housing for your Company/Project, please contact our Strategic Sourcing Department.**

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