

2026

ARGUS University Challenge

Station Hill, Reading
Development Case Study



Station Hill Reading: A Development Case Study

1 Station Hill, Reading RG1 1LN, UK

Scenario & Task: A Royal Acquisition

The 'Royal Trust' is a historic and longstanding institutional commercial real estate organisation created to manage the land and assets owned by the British Royal Family. The term "real estate" derives from 'royal estate' and reflects the land ownership held over generations by the Royal Family and managed by this institution on their behalf.

In modern times, the Royal Family has taken an active approach to seeking investment income to minimise the need for sovereign maintenance contribution returns from the UK Government. As such, the Royal Trust has been considering the possible need to expand its existing property portfolio and asset holdings.

In terms of its overall approach to investment, the Royal Trust's existing property assets are in the 'core' or 'core plus' part of the investment style spectrum. As a result, the potential to generate stable income flows with limited need for significant capital expenditure on the asset is a key consideration in its investment decision making.

Given the success of the Windsor Estate surrounding Windsor Castle in the Royal County of Berkshire, the Royal Family is interested in exploring opportunities in the County near their existing residential palace, especially given that this area is at the heart of the Thames Valley, dominated by high growth, knowledge economy firms.

Acting for the Royal Family, the Royal Trust has recently heard about a new commercial development scheme, **Station Hill**, taking place in the nearby large county town of Reading – the capital of the Royal County of Berkshire, and situated only 10 miles away from Windsor Castle – and has now identified it as a potential investment.

You work for the Royal Trust and have been tasked with undertaking an *investment opportunity report on Station Hill for the Royal Family to consider at the upcoming 2026 AGM and Investment Strategy committee.*

They want to know if it will be a profitable addition, but also if it meets their guiding principles around sustainability, inclusion, skills development, clever design, and crucially 'placemaking.'

Any addition to the Royal Trust's real estate portfolio must fit the ethos of the Royal Family, therefore any investment presented must be a high-profile flagship scheme and demonstrate firm ESG credentials – *or risk rejection from the Royal Family.*

Your opportunity report must advise them on how Station Hill performs across these KPIs and whether they should seek to purchase the scheme. This will be discussed by the executive board, which have a duty to maintain and enhance the value of the estate, making this decision a particularly important *Royal Acquisition.*

Figure 2: Location of Reading in the Thames Valley and South of England

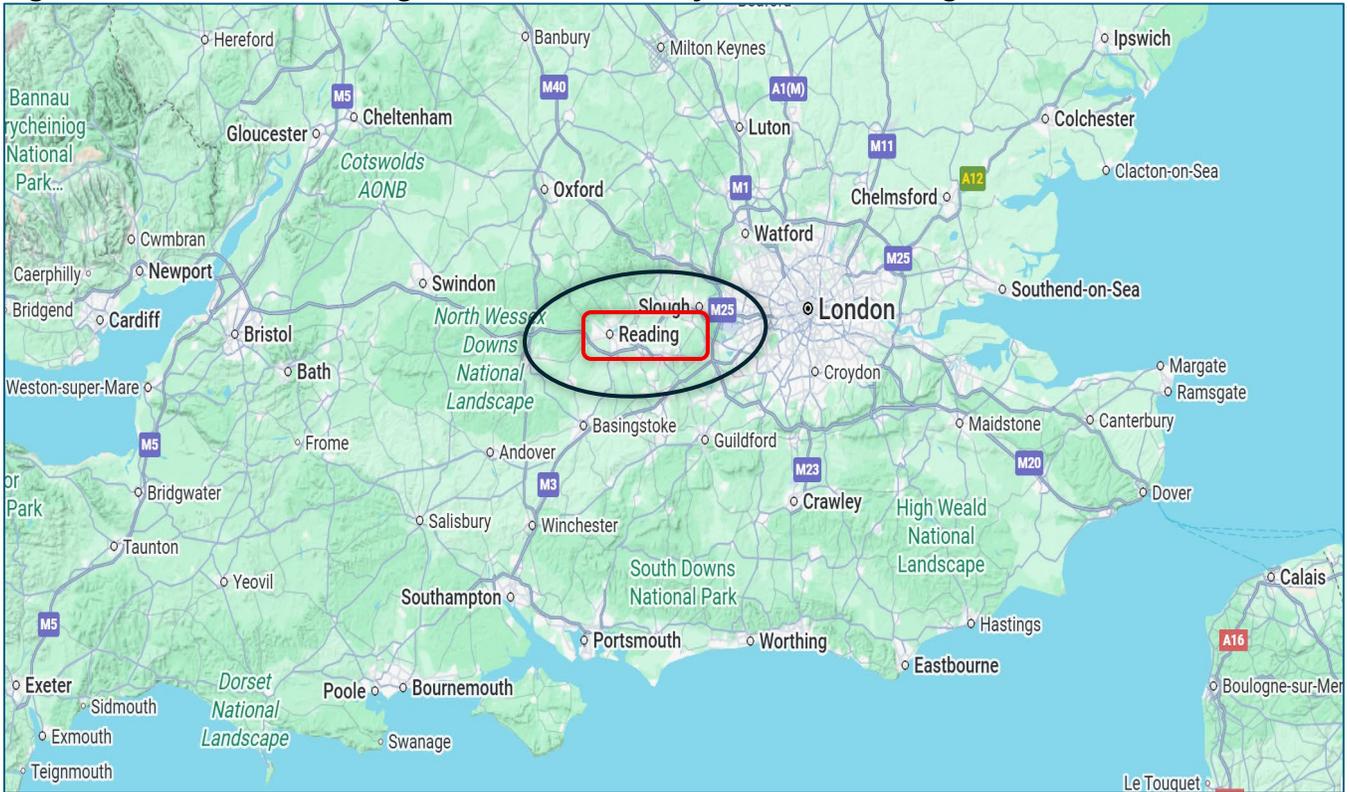
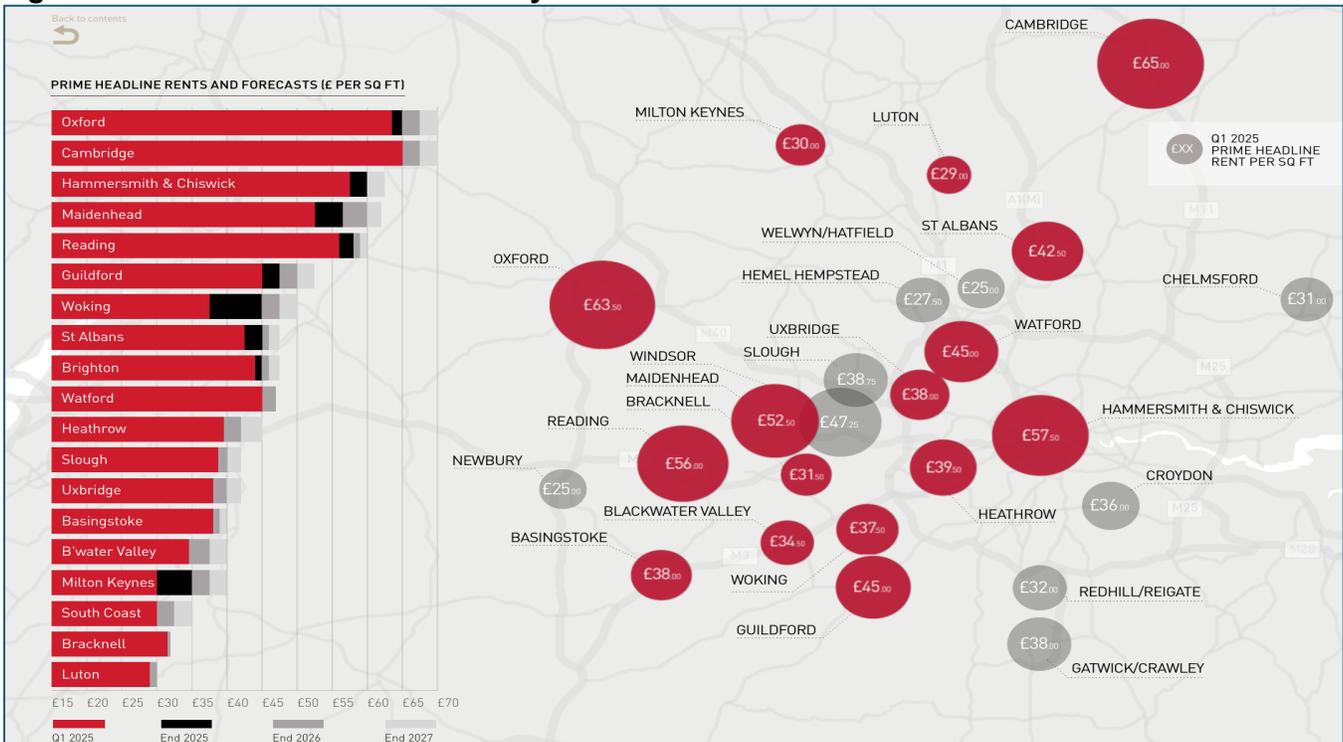


Figure 3: Prime Rents in Thames Valley and South East Office Market



Lambert Smith Hampton: Thames Valley and South East Office Market report 2025

Figure 4: Reading demographic and market factsheet and rank (Rank / # UK Cities)

	Total	Rank	Rate	Rank
population				
Total population, 2024	370,107	(25/63)		
Population change, 2014-24			13.6%	(7/63)
business & innovation				
GVA (bn), 2023	£19.7	(12/63)		
GVA per hour, 2023	£51.7	(7/63)		
Business stock per 10,000 pop., 2024			403.1	(4/63)
New economy firms per 10,000 working age pop., 2025			35.1	(5/63)
industrial structure				
Manufacturing jobs, 2024	7,250		3.4%	(53/62)
Private knowledge services jobs, 2024	51,500		24.2%	(2/62)
Publicly-funded services jobs, 2024	47,500		22.3%	(55/62)
Other private services jobs, 2024	83,500		39.2%	(39/62)
Ratio of private to public jobs, 2024			3.5	(8/62)
wages				
Avg. weekly workplace earnings, 2025	£917	(3/63)		
jobs & employment				
Job growth, 2013-23			23.8%	(4/63)
Employment rate, 2025			79.6%	(11/62)
Unemployment rate, 2025			3.3%	(55/63)
skills & education				
High level qualifications, 2024			62.7%	(4/63)
No formal qualifications, 2024			2.7%	(61/63)
GCSEs in Maths & Eng., grade 9-4, 2025			72.2%	(3/55)
living standards				
GDHI per capita, 2023	£21,578	(2/63)		
Neighbourhoods in the most deprived quintile, 2025			6.4%	(60/62)

Centre for Cities: 2026 Cities Outlook

Overview of Station Hill Development

Station Hill is a major mixed-use redevelopment in the centre of Reading, on a 6.5-acre site immediately adjacent to the main entrance of Reading railway station.

Reading station is now served by the Elizabeth Line, which opened in 2022, providing improved rail connectivity to East London, including Stratford (the location of the 2012 London Olympics, now an extensive urban renewal area) and Canary Wharf (a major commercial office location), as well as Heathrow International airport.

The Station Hill project aims to deliver a “live-work-play” district — combining residential, office, retail, leisure, hotel (or later living), and high-quality public realm — turning a previously under-utilised site (an old car park, disused shopping centre, bus depot, etc.) into a vibrant ‘gateway’ for Reading town centre.

The developer/owner is a joint venture (JV) between **Lincoln Property Company** ([Station Hill - Lincoln Property Company](#)) and **MGT Investment Management** ([Home - MGT Investment Management](#)).

The site is being developed in three phases. Phases One and Two (office and residential with mixed use F&B) are now complete (**see Table 1**).

Phase Three remains to be developed, and the nature/quantum of use is still to be determined. A hotel or later living accommodation has been proposed. **Figure 5** shows the completed and proposed phases of Station Hill.

Table 1: Station Hill Scheme Uses and Floorspace

Use (at full build out)	Floorspace
Office (Grade A)	625 000 ft ² / 58 065 m ²
Retail / Leisure / F&B / Lifestyle	95 000 ft ² / 8825 m ²
Residential	1300 units (private and affordable)
Hotel / Later Living Accommodation	Potential 200-bed hotel or “later living”
Public realm / Landscape / Open Space	2 acres of curated public realm linking Reading railway station (a major regional rail hub) and Reading town centre
Car Parking	Up to 500 spaces plus cycle parking

Figure 5: Phases of Station Hill Development Scheme



Station Hill, 2024

Urban form and layout

The development’s spatial logic: residential blocks towards Friar Street / town-centre side, and the central office tower (ONE Station Hill) aligned towards the station.

A new pedestrian link—combining a bridge over Garrard Street and a “Friar’s Walk” walkway—creates level, step-free access from the station through to the town centre, dramatically improving connectivity.

The 2-acre public realm is conceived as a “gateway to Reading” and “town square” with landscaped planting, seating, public art, water features, and lighting, intended to accommodate events, markets, for the benefit of residents and commuters.

Regeneration Objectives and Benefits

Station Hill was focused on achieving wider local benefits as a key site at the heart of central Reading, rather than simply aimed at delivering real estate value alone. These regeneration benefits included:

- Regeneration of a long-standing derelict / under-used site (former shopping centre, car parks, bus depot, 1970s offices).
- Removing a physical and perceptual barrier between the railway station and town centre.
- Creation of a new “front door” to Reading. Improving first impressions for visitors arriving by train and creating a vibrant, walkable, mixed-use district.
- Provision of high-quality housing (private and affordable) in a location with excellent transport links.
- Helping to address housing demand in Reading while offering car-free / low-car lifestyles (given proximity to station).
- Significant public realm and infrastructure investment (around £50 million invested in landscaping, pedestrian access, public squares, community infrastructure) as part of the wider social infrastructure of the town centre.
- Employment creation—office space for potentially thousands of jobs, plus construction-phase jobs, plus jobs in retail, leisure, hospitality, and ongoing services—supporting Reading’s economy.
- Sustainability and modern workplace standards: the office building is all electric (air source heat pumps), uses smart building technology, and targets high environmental and wellbeing standards (e.g. BREEAM “Outstanding,” WELL Platinum, EPC A).

The development was recently recognised as “Regeneration Project of the Year” at the 2025 Thames Valley Property Awards—underlining its regional significance.

Key Players: Ownership, Developers and Professional Teams

The Station Hill project involves several high-profile real estate and planning companies and involving professionals from across the built environment sectors:

- Developer / Owner / JV: Lincoln MGT: a joint venture between Lincoln Property Company (US-based, development/management lead) and MGT Investment Management (investment and financing lead).
- Construction Contractor (Phase 1): Midgard – appointed to build 598 Build to Rent (BTR) units and the initial landscape phase; Construction Contractor (Phase 2): Sir Robert McAlpine — appointed to build the central office tower (ONE Station Hill), public square, and link bridge.
- Architect / Master planner:
 - *Callison RTKL - master planner and architect for residential buildings*
 - Gensler: architect for commercial office buildings (ONE Station Hill).
 - LDA Design: landscape architect responsible for the public realm, square, landscaping, pedestrian links etc.
 - Planning advice / coordination involves DP9.
- Leasing / Agents: Joint agents for office accommodation are JLL and Hatch Real Estate.
- Financing: For Phase 2, a £107 million construction loan was secured (from Bentall GreenOak) to deliver the office, public square, and link bridge. Separate construction financing was secured (c. £138.75 million) for the Build to Rent (BTR Multifamily Homes) residential first phase.

Costs, Financials and Market Performance (so far)

The overall scheme is described as an £850 million mixed-use development. The following real estate costs, revenues, and potential have been reported:

- Original acquisition cost of the site by Lincoln MGT in 2018 was reportedly around £70 million.
- Public-realm and social infrastructure investment is about £50 million.
- Early leasing performance: as of mid-2024, the office building ONE Station Hill had already secured 115,000 ft² of office lettings (≈ 40–45% of the building) ahead of practical completion. Tenants include global names such as PepsiCo, PwC, and NewFlex.
- Reported rents (for those early lettings) are among the highest in Reading—approx. £54-£56 per ft², setting a new headline rent benchmark for Reading / South East.
- Lettings appear to be long-term (12-year leases in some cases).
- Given strong connectivity (Elizabeth Line, national rail, proximity to London ~25 min by rail) and modern workplace / residential provision, the development is positioned as “best-in-class” for occupiers seeking high-quality, well-connected office/residential space in the Thames Valley region.

What makes Station Hill attractive for investors and occupiers?

For Investors (Institutional / Capital)

Scale and diversification: Mix of uses (office, residential, retail, potential hotel) spreads risk across asset classes.

Prime location and connectivity: directly adjacent to Reading station, an important regional rail hub (Crossrail / Elizabeth Line, national rail), making the building highly attractive for office tenants and residential renters alike—strong commuter catchment to London and Thames Valley. Speedy access to central London (20 minutes).

Modern, ESG-aligned design: All-electric building systems, smart building tech, targeted BREEAM “Outstanding” and WELL Platinum—attractive to corporates seeking ESG credentials, and a premium for occupiers.

Strong rental tone and early leasing success: Early high-profile lettings at record rents for Reading (c. £54-£56/ft²) suggest strong demand and potential for attractive yields (especially in office).

Regeneration credentials and public realm quality: Significant public realm and infrastructure investment create a long-term uplift in area quality—potentially boosting long-term capital value and enabling a vibrant “place.”

Flexible exit / future phases optionality: The outline for later phases (hotel / later living / additional residential) offers flexibility to adapt to market conditions; the mixed-use model combined with strong location supports long-term value retention.

For Occupiers (Businesses / Corporates / Residents)

Modern, Grade A high-spec workspace: Open-plan, efficient floorplates (column-free, large floor plates up to ~21,000 square feet, floor-to-ceiling glazing, modern building services), rooftop amenities (terrace, lounge), wellness, and amenity spaces (e.g. fitness, terraces), and smart-building features.

Excellent connectivity: Direct access to Reading Station + Elizabeth Line / national rail reduces commuting friction—appealing for firms, staff, and plugging into London and Thames Valley labour market.

Quality of place and amenities: Retail, Leisure, Food and Beverage, public realm, residential components to support a live-work-play lifestyle. For companies, this can help with employee satisfaction and retention. For residents, convenient urban living.

Sustainability and ESG credentials: Attractive for firms with ESG commitments, or residents seeking modern, energy-efficient homes; design targeting high environmental and wellbeing standards.

Community feel and long-term vision: The public realm, landscaping, public art, events, and mixed-use nature could foster a sense of community, making it more than just offices or flats—a new central hub in Reading.

Key considerations and risks

While phases One and Two are complete for the residential BTR and the central office tower and public realm, future phases — including possibly a hotel or further residential / later-living — are still subject to outline permission and market conditions.

As with any large mixed-use scheme, success depends on achieving high occupancy across a mix of uses (office, residential, retail, leisure) to realise the value proposition. If market conditions change (e.g. remote work trends, residential demand, interest rates), this could impact returns — though diversity of uses helps mitigate risk.

For retail / leisure / hospitality success depends on footfall and demand; retail in town centres has faced headwinds in recent years—but the station-adjacent location, new residential and office population, and curated public realm help to de-risk.

The long-term success also depends on good management, especially of public realm, amenities, and delivering on the “place-making” vision (events, community, connectivity). Station Hill will need to integrate into the existing fabric of Reading.

Real Estate Figures for Station Hill

The Royal Trust will assess the financial viability of its investment decision based on the income and expenditure assumptions set out in this section. **Table 2** outlines the key income assumptions, holding period and expected occupancy.

Table 2: Station Hill Development Income Assumptions

Real estate asset class	Size / Units	Rental Assumptions	Rental Growth Assumptions	Holding Period / Average Occupancy
Commercial office / Workspace	625,000 ft ² (58,065 m ²)	£54 / ft ² / Annum	2% per Annum	10 Years / 80%
Residential	1,300 UNITS	£1,500 / Month for a 750 ft ² flat is £2 / ft ² / Month or £24 / ft ² / Annum	5% per Annum	10 Years / 95%
Retail, leisure, and F&B	95,000 ft ² (8,825 m ²)	£25 / ft ² / Annum	2% per Annum	10 Years / 80%
Hotel	200 Beds Potential to Develop	N.A.	N.A.	[Based on the local market comparables]
Activated Public Realm	2 Acres	N.A.	N.A.	[Managed with Reading Council]
Car Parking	Up to 500 Spaces	£1000 / Space / Annum	2% per Annum	10 Years / 100%

N.B. All rental figures above are inclusive of all applicable serviced charges.

Expense Assumptions

- **Operating Expenses:** Property taxes, insurance, management fees, utilities, maintenance. 12.5% of gross rental income per annum.
- **Capital Expenditures (CapEx):** Major costs for repairs, renovations, replacements. 3% of gross rental income per annum, increasing to 5% per annum after year 5.
- **Public Realm Contribution:** An annual contribution of £500,000 towards the upkeep of the public realm is made to Reading Borough Council.
- **Hotel Development.** You can assume that the hotel development will not take place during the proposed holding period—so there is no need to take in into account in your Income and Expenditure assumptions.

Investment Parameters & Exit Strategy

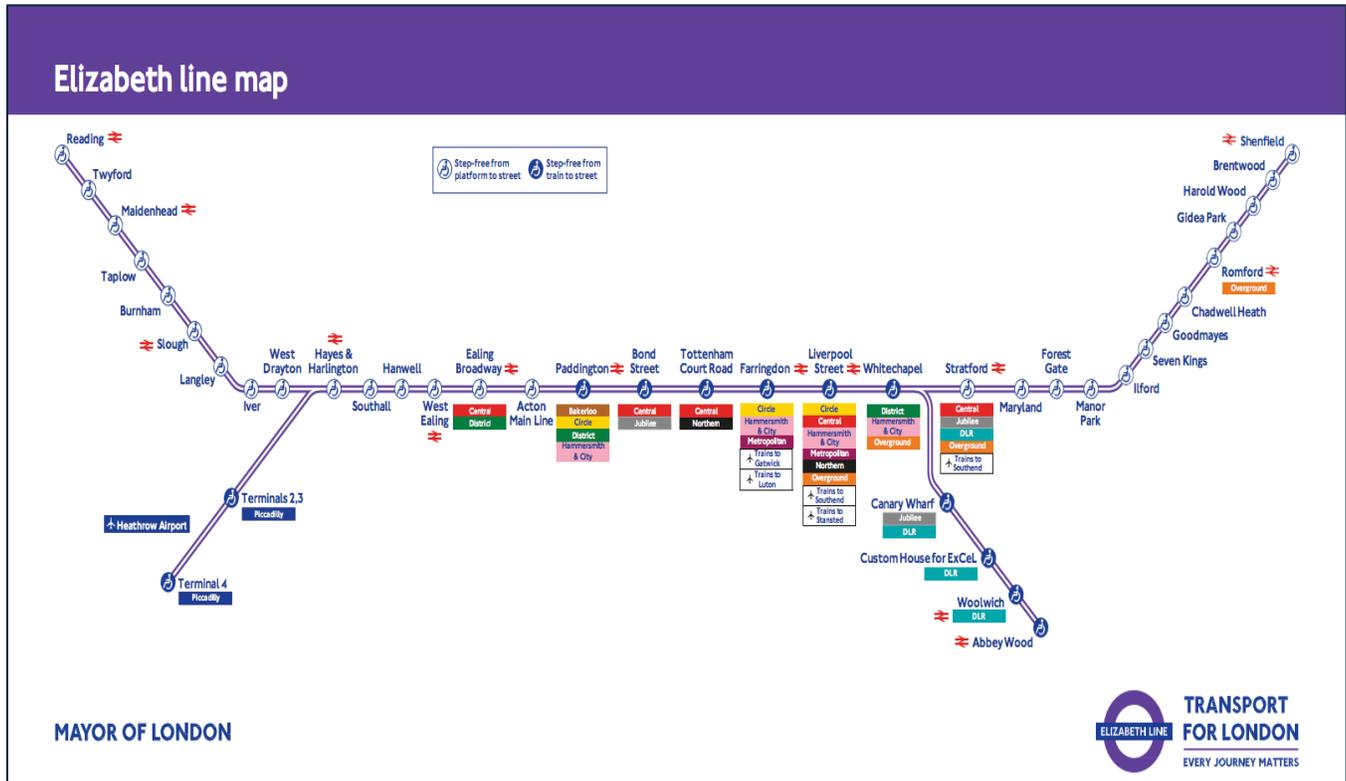
- **Initial Investment Cost:** You need to calculate a set of DCF-based cash flows on the assumptions above as a means of calculating a purchase price.
- **You need to decide on a Discount Rate:** Your required rate of return, reflecting risk and opportunity cost. In the UK, office and residential assets typically have a discount rate in the region 5-6.5%. For retail, this figure is closer to 8%.
- **Terminal Value:** Estimated sale price at the end of the holding period, this should be based on a capitalisation rate (Cap Rate).
- **Debt/Financing:** You can assume that the potential investor is not using leverage to acquire the asset. It is a pure equity investment.

Using the above you need to calculate both the Net Present Value (NPV) and the Internal Rate of Return (IRR) to help to decide if the investment is financially viable.

Appendices

Appendix 1

The Elizabeth Line ('Crossrail') providing new connections between Reading and Central and East London:



Transport for London, 2026

Appendix 2

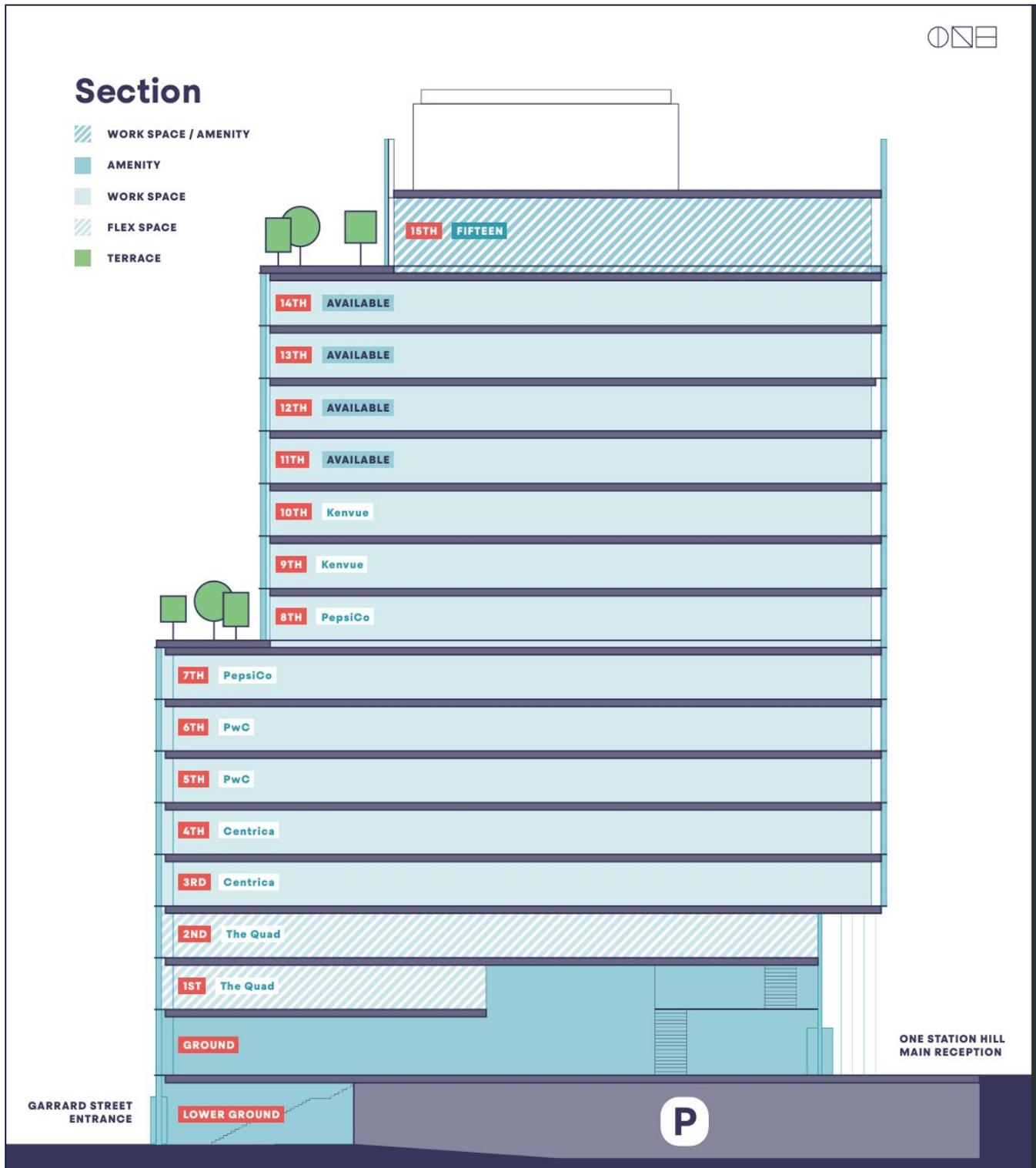
Major companies operating within the Reading Market:



Station Hill, 2024

Appendix 3

Occupiers and space available in One Station Hill



Station Hill, 2024

Challenge Submission Guidelines

Your submission is an **Investment Opportunity Report** written as if presenting to the Royal Trust's Investment Strategy Committee (ISC). Investment reports must be **clear and concise** — assume your committee is comprised of seasoned real estate professionals. Avoid restating theory or definitions.

Total submission: 20 pages maximum (excluding AE files, appendices, and reference pages).

Sections must appear in the order listed below. AE files must be submitted alongside your report as separate supporting files.

Required Sections — in order

#	Section	Page Limit	What to include
1	Cover Letter to the ISC	1 page	High-level pitch: state your recommended acquisition price and the headline case for investment.
2	Market Context	3 pages	National, regional (Thames Valley), and local (Reading) market analysis. Use charts and graphics; follow each with conclusion-oriented commentary.
3	Financial Appraisal	5 pages	10-year DCF model, NPV, IRR, and recommended acquisition price. Include your AE model outputs. Defend your discount rate and cap rate assumptions.
4	ESG & Placemaking	3 pages	Critical evaluation of Station Hill's environmental, social, and placemaking credentials. Link ESG performance to investment value — do not simply list credentials.
5	Risk Assessment	3 pages	Identify the two major risks and their mitigants. Include a quantitative sensitivity analysis showing the impact on IRR under worst-case assumptions.
6	Professional Team	2 pages	Assess the developer JV, design team, contractors, and leasing agents. Reference delivery evidence and track record.
7	Recommendation	3 pages	Clear recommendation to invest or not invest. State acquisition price, conditions, and initial asset management strategy.
Total (excluding appendices, AE files & references)		20 pages	Page limits per section are maximums — concise, well-structured reports are rewarded.

Guidance Notes

You have creative freedom to...	All submissions must include...
Structure your report visually — layout, branding, and design are your choice.	A completed AE (AVUX) file supporting your financial appraisal.
Choose your own discount rate, cap rate, and acquisition price — provided you justify them.	NPV and IRR calculated from a 10-year DCF using the income assumptions in Table 2.
Recommend whether to acquire the whole scheme or specific phases/asset classes.	Identification of the two primary investment risks with specific mitigants.
Incorporate additional market research and data sources beyond those provided.	An assessment of Station Hill's ESG credentials linked to its investment value.
Supplement financial assumptions with your own market research where justified.	A clear, unambiguous final recommendation to the ISC with a stated acquisition price.

IMPORTANT

Do not contact Station Hill, Lincoln MGT, local property professionals, or the Royal Family or their advisors as part of this project. **All information required to complete this brief has been provided.**

This briefing document is fictitious and produced solely for the purposes of the ARGUS University Challenge. It is intended for educational purposes only.

Acknowledgements: The support of Station Hill is gratefully received.

Useful websites

Station Hill: [Home - Station Hill](#)
Lincoln: [Station Hill - Lincoln Property Company](#)
MGT: <https://mgtim.com/>
Centre for Cities: [Cities Outlook 2026 | Centre for Cities](#)
Lambert Smith Hampton: [South East Office Market Report 2025 | LSH](#)
REDA: <https://www.visit-reading.com/business/about-us>
Reading Council: [Planning and building control - Reading Borough Council](#)
Transport for London (TfL): [About TfL - Transport for London](#)