

Expert Witness Report

Prepared by: Stuart Parsons BSc MRICS

In respect of the Premises known as

Crown & Thistle

132 Old Road, Headington, Oxford, OX3 8SX

Review and Update of Economic Viability Report dated 4th November 2021

31 October 2023



Crown & Thistle
132 Old Road, Headington, Oxford, OX3 8SX



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1 INSTRUCTION

- 1.1 I am instructed by Medallion (Oxford) Limited, the freehold owners of the Crown & Thistle, 132 Old Road, Headington, Oxford, OX3 8SX to review and update my Expert Witness Report dated 4th November 2021.
- 1.2 My instructions are to consider the loss of the public house use i.e. the continuing economic viability of the Crown & Thistle as a public house. In addition I will review and comment upon the Expert Witness Report prepared by Mr T Watson, Davis Coffey Lyons dated 4th May 2022 which was prepared on the instructions of Oxford City Council; have regard to current market conditions; and consider and have regard to a report prepared by Andrews Eades Chartered Surveyors in respect of the condition of the property and the cost of works required to put the property into a condition whereby it would be able to recommence trading.
- 1.3 For ease of reference, I include a copy of Mr Watson's Report as Appendix **SP1**. I highlight that I have not previously had the opportunity to comment on Mr Watson's Report.
- 1.4 In 2014 I was instructed to prepare an Economic Viability Report in respect of the Crown & Thistle. My report was completed in a draft format but at that time the owner decided not to progress matters. In 2014 my opinion was that the Crown & Thistle was economically unviable.
- 1.5 I again inspected the property on Monday 10th May 2021. At the time of my inspection the property was not trading. I prepared a report in November 2021 which again concluded that the Crown & Thistle was not economically viable.
- 1.6 In connection with my current instructions, I visited the locality on Thursday 7th September 2023, the property was not trading.
- 1.7 The property has been closed for trade for an extended period of time, indeed the property has not traded since the end of 2011, a period now approaching 12 years.
- 1.8 My report has been prepared on the basis of it being independent advice, I have therefore adopted the position of an Independent Expert.
- 1.9 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and those which are not. Those that are within my knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 1.10 A Professional Declaration is provided at Section 3 of this report.
- 1.11 For the avoidance of doubt, I would confirm that this report does not represent any formal opinion of value, either rental or capital and is not compliant with the RICS Guidelines in this respect.



2 QUALIFICATIONS AND EXPERTISE

- 2.1 I, Stuart Parsons, am a Divisional Director of Fleurets Limited, based within the Bristol office of the firm at Reflections House, 26 Oakfield Road, Bristol BS8 2AT. Fleurets is a specialist firm of chartered surveyors dealing wholly and exclusively with the sale and valuation of hotels, restaurants, pubs and leisure property. Fleurets consistently act for a wide variety of clients including private individuals, property companies, local authorities and substantial public quoted pub, restaurant and leisure companies.
- 2.2 I hold a BSc in Urban Land Administration, I am a Member of the Royal Institution of Chartered Surveyors having qualified in 1984 and a RICS Registered Valuer.
- 2.3 I have worked exclusively in the licensed property sector since 1985. During this period, I have been employed by the former Allied Domecq Group of Companies and Fleurets.
- 2.4 Whilst employed by the Allied Domecq Group of Companies I fulfilled a number of roles throughout the Group. I was for a period the Senior Estate Manager for the Greater London portfolio of properties, namely Taylor Walker, reporting directly to the Board. This portfolio of properties, totalling c.750, included both directly managed operations and the tenanted portfolio of tied lease/tenancies. Also, during my employment with the Allied Domecq Group of Companies I was, for a period of time, the Company Estate Manager and Company Secretary for the Parasol Corporation, an operating company within the Allied Group which dealt solely with the company's portfolio of branded restaurants, be they High Street café bars or pub/restaurants, across England and Wales.
- 2.5 My current workload includes professional matters such as valuations, rent reviews, lease renewals and other landlord and tenant consultancy work concerning public houses, restaurants, hotels and other leisure properties. In recent years I have acted extensively with regard to economic viability matters relating to hospitality businesses be they public houses, restaurants or hotels. My client base has been broad and has included local authorities, community groups, parish councils, private individuals, pub companies and developers.
- 2.6 I have worked as a Chartered Surveyor in the niche market of licensed property for in excess of 38 years.
- 2.7 I regularly act as an Expert Witness be it with regard to landlord and tenant matters, potential negligence claims and planning related matters.



3 PROFESSIONAL DECLARATION

- 3.1 I confirm that my Report has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 3.2 I confirm that I understand and have complied with my duty as an Expert Witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 3.3 I confirm that I am not instructed under any conditional or other success-based fee arrangement.
- 3.4 I confirm that I have no conflicts of interest of any kind.
- 3.5 I confirm that this Report complies with the requirements of RICS (Royal Institution of Chartered Surveyors), as set down in RICS practice statement Surveyors acting as Expert Witnesses 4th edition.

Signed **Dated 31 October 2023**



Stuart Parsons BSc MRICS

**Divisional Director
Fleurets
Reflection House
26 Oakfield Road
Clifton
Bristol BS8 2AT**



4 ECONOMIC VIABILITY

- 4.1 I consider it of assistance for me to first state the key factors which I consider are appropriately taken into consideration when required to make a judgement as to whether or not an existing public house is reasonably considered to be economically viable for a continuation in that style of business use. I, therefore set out the matters which I consider would influence the judgements made by a prospective owner considering an investment in acquiring and operating a public house.
- 4.2 A public house is a facility where trading involves the retail sale of drinks, snacks, food and occasionally the letting of bedrooms, operated for the purposes of generating an income and profit. For a public house to be economically viable, its owner, whether an individual or a partnership, must be able to derive a satisfactory living from owning an interest in the property and undertaking its operation after accounting for all the costs and liabilities associated with the ownership and trading of the business. If the operator is a corporate concern, the company must be able to achieve a sufficient profit from the operation in order to justify in commercial terms, the investment required for its purchase/continued ownership and as remuneration for its subsequent operation.
- 4.3 In order for a public house to be economically viable, the net income/profit must be sufficient to incentivise the owner/purchaser to undertake the entrepreneurial endeavour and risk associated with the venture. In either case the appraisal of economic viability must take into account the credible costs which would be incurred to make the premises ready for the commencement of trade.
- 4.4 Secondly, I consider the matters which impact on the trading potential of a public house.
- 4.5 The customers of a public house are of necessity required to have chosen to travel to the particular property, by walking, driving, cycling or using public transport, to partake in drinking and dining in the social environment provided at the particular public house. The attraction of custom necessitates persuading individuals to choose a property over others believed to offer similar facilities. Such customer choices involve personal judgements over the desired means of travel; the travel time; the ease of journey; the distance; the customer environment provided; and the nature and retail cost of the food and drink offer available. The proximity of a public house to a pool of prospective custom and the number of competing public houses are therefore key determining factors.
- 4.6 The potential custom available to any particular public house will inevitably have alternative options, i.e. the other businesses forming the competition. Thus, a public house is obliged to operate within a competitive trading environment, with prospective customers making comparisons and influenced in their judgements by these various factors.
- 4.7 The various characteristics of a public house and its potential custom, may however change over time, such changes caused by external factors which either have a positive or a detrimental impact on economic viability. It is a fact that over time particular external influences can be significantly detrimental to trading potential, and hence as a direct consequence also adversely impact on economic viability.
- 4.8 The key external influences of particular importance to public houses include local demographics and population; social and cultural changes; economic changes; legislative changes; increases in operational and ownership costs; and increasing staff employment costs.
- 4.9 The economic viability of a public house is based on an assessment which is made at a particular moment in time. The assessment must take into account the individual background circumstances of the property under consideration, including any known recent trading history and the trading status at the time of making the assessment. The assessment must reflect the costs which are reasonably necessary to be incurred in order to acquire an interest in the property and any preparation works/investment which is required in order to make the property fit and ready for the commencement of trade.
- 4.10 In the circumstances of a public house being closed for trade, there are reasonably expected to be additional costs and risks to any party contemplating acquiring an interest with the intention of a recommencement of trading. The fact of a public house closure for trade will have a detrimental impact on the goodwill which remains associated with the property, if any, and its reputation in the local market.



- 4.11 On any recommencement of trade of a previously closed public house it will take time to build sales, and in consequence the operation is unlikely to be capable of generating a profit for a period of time following its re-opening. There will also be significant uncertainty regarding the levels of trade that can be achieved.
- 4.12 If a public house has been closed for an extended period of time it will inevitably fall into disrepair. In order to reopen for trade investment will most likely be required in respect of repairs, redecoration and trade inventory items. Such additional investment increases the level of risk involved.
- 4.13 Thirdly, it is relevant to have regard to any marketing of the property for sale or lease that has been undertaken. If a public house is considered viable parties will bid for the property as they believe they will have a realistic chance to earn an acceptable return or profit on their investment.



5 BACKGROUND

- 5.1 The freehold interest of the Crown & Thistle PH was acquired by SP Singh, SJ Kaur and G Kaur on 30th November 2012. I understand the property has now been transferred into company ownership, Medallion (Oxford) Limited.
- 5.2 Prior to the acquisition referred to above the property had been in the ownership of Greene King plc and prior to that the former Oxford brewer, Morrells.
- 5.3 Greene King plc is a major pub owning company which operates both a managed and tied leased estate. As with all pub owning companies Greene King plc continually review the performance of their portfolio with properties which are deemed not to provide them with, or capable of providing them with a sufficient return, made available for disposal.
- 5.4 Prior to the sale the property was operated as a tenancy, no historic financial information is therefore available. It is believed the business traded for the benefit of the local community and that there had been issues in the pub which had been raised by the Licensing Authority.
- 5.5 The Crown & Thistle PH has not traded as a public house since at 31st December 2011. Prior to this I understand there had been periods of temporary closure whilst Greene King tried to source new tenants.
- 5.6 The property was marketed for sale in 2012, this was the marketing which led to the sale of the property to the current owners. In 2015 the property was marketed as being available to lease, marketing was for a 6 month period. In 2019 the property was brought back to the market, on a leasehold basis, with marketing continuing for c.18 months.
- 5.7 I am not aware of any further marketing of the property having been undertaken.
- 5.8 Pursuant to planning consent 13/01588/FUL land that originally formed part of the Crown & Thistle site has been redeveloped as housing.
- 5.9 A planning permission in principle for residential development was sought in 2022, application, 22/00040/PIP, permission was refused. I understand it is now the intention of the owner to submit a new application.



6 THE PROPERTY

6.1 Location

- 6.1.1 Oxford is the county town of Oxfordshire, approximately 50 miles to the west of London. Other towns nearby include Aylesbury (22 miles), Reading (26 miles) and Swindon (25 miles). Road communications are good being located with access to the A34, A40, A48, A420 and the M40. Rail services are available to London Paddington.
- 6.1.2 The latest data available reveals the estimated population of Oxford is 166,222. Oxford experienced rapid population growth, of approximately 12%, over the period 2001-2011. The population of Oxford does increase significantly throughout the year due to the impact of students and tourists.
- 6.1.3 The Crown & Thistle PH is located in a suburban area towards the eastern fringe of Oxford within an area generally known as Headington. Headington has a suburban high street, situated on the London Road, and is also the home to the Oxford Brookes University and the Nuffield, Churchill and John Radcliffe Hospitals. To the eastern edge of Headington is the Oxford Ring Road.
- 6.1.4 The property itself is located within a residential area at the junction of Old Road and Titup Hall Drive. The type of residential development to the north and south of Old Road differs significantly, to the north the properties tend to be privately owned, detached and semi detached interwar properties whilst to the south i.e. the area known as Wood Farm there is a combination of post war semi detached medium and high rise residential properties. Immediately to the rear of the subject property is a substantial primary school.
- 6.1.5 Old Road is effectively a local road, there being limited passing traffic. The local areas of Headington, Headington Quarry, Wood Farm and Lye Valley are all readily accessible. It should be noted that much of the land use in the immediate area is put over to institutional buildings e.g. education, hospitals and open space. The Oxford Ring Road creates a boundary to the east, beyond this is the open space of Shotover Hill.



6.1.6 A site plan is set out below.



6.2 Description

6.2.1 A two storey detached property largely constructed with painted stone elevations beneath a pitched tile roof, most probably dating from the 19th century. In more recent times the property has been extended, there are single storey additions to both sides and also to the rear of the core of the building. The extensions are predominantly constructed with flat felt roofs.

6.2.2 External photographs of the property are set out below.



Titup Hall Drive Elevation



Corner Elevation



Old Road Elevation



Side Elevation

6.3 Accommodation

- 6.3.1 Access into the ground floor trading areas is via an entrance from Old Road. From the lobby entrance access can be gained to two separate trading bars, each with their own bar servery. I am of the view that in the past these have most probably been utilised as a sports bar and a lounge bar. The lounge bar benefits from French doors to what was an external trading area. Two sets of customer toilets are provided, one for each bar.
- 6.3.2 A commercial kitchen is also provided at ground floor, evidence exists of there having been overhead extraction.
- 6.3.3 A temperature controlled beer store is located in the basement.
- 6.3.4 The first floor accommodation and indeed the attic floor accommodation is all put over to residential use for the manager/occupier, the accommodation comprises an office, lounge, kitchen, bathroom and two bedrooms. I have been advised this accommodation has been occupied separately from the beginning of 2013.
- 6.3.5 All main services are believed to be connected.

6.4 Rateable Value

- 6.4.1 The property is listed by the Valuation Office Agency as Public House & Premises with a rateable value of £9,700.
- 6.4.2 The residential element of the property has a Council Tax listing of D.



6.5 Licensing

6.4.3 I understand the Premises Licence has been surrendered. If the property were to be reopened as a licensed outlet an application for a new Premises Licence would be required. An application for a new Premises Licence would have time and cost implications, there can be no certainty that a new Premises Licence would be granted.



7 CONDITION

- 7.1 I have not undertaken a building or condition survey, however my overview of the condition of the property is that it is in need of significant repair and refurbishment.
- 7.2 Externally, the property had fallen into disrepair since my previous inspection. To an extent the elevations have suffered from blown render, there are signs of timber decay and vegetation has become established in a chimney. I would also make mention of the fact there are extensive areas of flat roof which do have a limited life span.
- 7.3 The exterior would now require extensive works if the property were to reopen for trade.
- 7.4 When I last undertook an internal inspection, May 2021 I was only able to inspect the ground floor accommodation, I would add that there was limited light as the windows have been boarded and there was no power supply. Whilst there had been a significant deterioration in the condition of the trading and ancillary areas the style of presentation is as was. In light of the passage of time the décor and fittings that remain were dated and as a consequence I am of the view a comprehensive refurbishment would have been required.
- 7.5 Mr Watson acknowledges in his Report that the property is in poor repair and that extensive works are required. In his assessment of viability Mr Watson has utilised the cost of putting the property back into repair at £325,000, he adds that he has assessed the costs at a high level.
- 7.6 The cost of putting the property back into repair is a material consideration in terms of the economic viability of the Crown & Thistle. To ensure this issue is correctly and fully considered the Owners have commissioned a Building Survey from a firm of Chartered Surveyors who specialise in public houses. I attach a copy of the Report prepared by Andrews Eades Chartered Surveyors, dated 16th October 2023, as Appendix **SP2**.
- 7.7 I summarise the costs included in the Report of Andrews Eades as follows.

Total Budget for building works	£366,315
Add scaffold	£12,000
Add contingency sum	£20,000
	£398,315
Add Contractor's prelims 12%	£47,798
Add for trade inventory not included in budget works	£25,000
Total Cost exc' professional fees	£471,113

- 7.8 Allowing for professional fees the cost of reinstating the property to a condition whereby it could trade would not be less than £500,000.
- 7.9 Regard needs to be had as to whether a purchaser in the open market would proceed with an acquisition and refurbishment scheme which would cost c.£500,000 plus the acquisition costs of the property. Such a decision would need to be taken against a background of the business having not traded for c.12 years; where there can be no certainty as to the trading levels that can be achieved; and where there is a need to apply for a new Premises Licence and the uncertainties associated with that.
- 7.10 Mr Watson states within his own Report (page 11), prepared on the instructions of Oxford City Council that
- “...the project entails risk, and in my view it is unlikely that a pub operator would be willing to take on the restoration of this pub given the level of investment required and the level of return that could realistically be expected.”*



On page 12 of his Report Mr Watson adds

“...I do not consider any prospective pub operator would be prepared to make the necessary investment into restoring the pub to enable it to trade given the likely level of profitability.”

This opinion has been formulated based on a cost which is considerably less than has been provided by a Chartered Surveyor who has the appropriate expertise to assess the costs of restoring a public house to a condition whereby it can trade.



8 MARKETING OF THE CROWN & THISTLE FOR SALE/LEASE

- 8.1 The CAMRA Paper – Public House Viability Test is often referred to when considering a change of use of a public house. The Paper is, in my opinion, drafted to cover all scenarios and not all items raised in the Paper will be appropriate to all situations. It is also relevant to note that the Paper is a guide only, it is not planning policy.
- 8.2 An issue raised by CAMRA is the marketing of the property for sale, if there has been any, this is an aspect I believe to be particularly pertinent. If a party believes a business can be reasonably operated from the site on an economically viable basis the probability is that they will bid for the site.
- 8.3 I am aware that the property has been marketed on three occasions i.e firstly by Fleurets on behalf of Greene King plc, again by Fleurets in 2015, as a new lease, on behalf of the current owner and thirdly by local Agents, JRBT Commercial in 2019.
- 8.4 Fleurets received instructions to the sell the freehold interest of Crown & Thistle from Greene King plc in August 2012. The sale was dealt with by a colleague in Fleurets Bristol office. The instructions to sell were received some 8 months after it is believed the pub ceased trading. Whilst I am unable to confirm the fact my expectation is that during this period Greene King attempted to source a new tenant and their failure to be able to do so resulted in the decision to sell.
- 8.5 Whilst previously stated it is relevant to add, Fleurets are a firm of specialist licensed and leisure property surveyors, we do not deal with any other type of property. As can be seen from our website www.fleurets.com we are vastly experienced in this area and are recognised as being one of the leading specialists in this field. In light of this experience and specialism we have well established marketing processes that we adopt, these have proven to be successful for many years.
- 8.6 At the time of marketing the following activities were pursued:
- Preparation of sales details (copy of details attached at Appendix **SP3**)
 - The property was placed on our website www.fleurets.com
 - A 'For Sale' board was erected on the premises.
 - The property was advertised in Fleurets News.
 - Details were sent to in excess of 8,700 parties registered on our database as having an interest in acquiring this type of property.
 - In excess of 200 requests for details were received as a result of hits on our website or from the 'For Sale' board.
 - Two open house viewing sessions were held. In total 21 parties attended viewings. In my experience, for this type of property, this was a high number for the time and indeed would also be in the current market.
- 8.7 Due to the level of interest shown in the Crown & Thistle a date was set to receive best and final bids. A total of 17 bids were received, the majority of which were stated to be for redevelopment purposes. A small number of bids were received for use either as a pub or restaurant, however there can be no certainty that this was actually the intended use.
- 8.8 The sale completed on 30th November 2012. Between the date of instruction and completion of the sale there was a marketing period of approximately four months.



- 8.9 During the four month period the property was extensively marketed and accessible to all potential purchasers. I therefore conclude that the property was suitably marketed and that relatively limited interest was shown for continued use as a public house.
- 8.10 In September 2015 Fleurets were instructed to market the Crown & Thistle as being available on a new lease. The instruction was dealt with by a colleague in our Bristol Office.
- 8.11 At the time of marketing the following activities were pursued:
- Preparation of sales details (copy of details attached at Appendix **SP4**)
 - The property was placed on our website www.fleurets.com
 - A 'To Let' board was erected at the premises.
 - Details were sent to in excess of 9,369 parties registered on our database as having an interest in acquiring this type of property.
 - In excess of 250 requests for details were received as a result of hits on our website or from the To Let board.
- 8.12 Fleurets database records only one viewing having taken place.
- 8.13 Our records reveal that there was only a single party who showed any interest in pursuing a new lease. The proposal was to operate an Afro-Caribbean restaurant/bar. Interest appears to have waned following further research which included sending details to my colleague of historic licensing issues, copy enclosed as Appendix **SP5**.
- 8.14 Interest was received to acquire the property for alternative use.
- 8.15 My colleague was instructed to cease marketing after a 6 month period.
- 8.16 I am advised the owner instructed a local property agent, JRBT Commercial Agents to market the property, on a 'To Let' basis in January 2019. I have been provided with a copy of their Marketing Report dated 1st June 2021, copy is enclosed as Appendix **SP6**.
- 8.17 I summarise the key issues arising from the JRBT marketing as follows:
- A 'To Let' board was erected on the property.
 - Recognised property marketing websites were utilised.
 - No interest received for the use of a public house.
- 8.18 After marketing the property for 18 months JRBT Commercial Agents were instructed to remove the property from the market in June 2020.
- 8.19 The property has been marketed on three separate occasions, once on a freehold basis and twice as a lease. As far as I have been able to ascertain none of these marketing campaigns has resulted in a bid or transaction which would have led to the continued use of the property as a public house.
- 8.20 For reasons which I believe will become clear below I am of the opinion if the property were now to be marketed for sale, with a view to a sale for public house use, it would not receive any proceedable interest be this on a freehold or leasehold basis. I anticipate the property would receive good levels of interest from prospective purchasers with a view to alternative use.
- 8.21 In support of this opinion I would also reiterate comments in Mr Watson's Report, as follows:
- "...the project entails risk, and in my view it is unlikely that a pub operator would be willing to take on the restoration of this pub given the level of investment required and the level of return that could realistically be expected."*
- and



“...I do not consider any prospective pub operator would be prepared to make the necessary investment into restoring the pub to enable it to trade given the likely level of profitability.”

- 8.22 At this stage and a gain in support of my comment regarding marketing regard should be had to the ability of a prospective purchaser to fund an acquisition. The funding required will need to cover not only the acquisition of the property but also the cost of reinstating the property to a condition whereby it can trade. I have spoken with a mortgage broker, Business Mortgage Solutions (www.business-mortgage.com) who specialise in the licensed sector and explained the scenario to them. They were of the opinion the only likely scenario where they could arrange funding would be to an extremely experienced operator, who could prove their track record, with c.90% of the funds required available to them i.e. in this case they would effectively require cash funds in excess of £600,000.
- 8.23 In my experience, post Covid, the market has not experienced the mass of distressed sales that had been anticipated by many. Those properties that have come to the market are generally of a better quality than those pre Covid and as a consequence I am of the opinion those properties that were not trading pre Covid are less likely to sell for public house use now.



9 ASSESSMENT OF ECONOMIC VIABILITY

9.1 The CAMRA Paper – Public House Viability Test is often referred to when considering a change of use of a public house. The Paper sets out a number of issues to be considered when assessing the economic viability of a public house.

9.2 In this section I shall consider

Factors impacting on the public house sector which affect ability to trade, past and present;
and
The local marketplace to include, customer potential and competition.

9.3 Factors Impacting on the Public House Sector

9.3.1 The Crown & Thistle has not been trading as a public house for a number of years and has been marketed for lease and/or sale on three occasions. Therefore, whilst some of the commentary is now dated, I do consider it of some relevance to consider factors that have affected the market over an extended period.

9.3.2 In 2007 the onset of the 'credit crunch' triggered a prolonged period of considerable economic uncertainty, the UK economy then suffering a sustained downturn with double dip recessions in 2008/09 and 2011/12.

9.3.3 The economic downturn had a dual impact upon the licensed trade. Firstly, there was the effect of lower sales resulting from customers having reduced disposable income or simply exercising caution. Secondly there was the impact on the ability for prospective purchasers to raise finance. Throughout the downturn, banks were averse to risk and reluctant to entertain loans unless borrowers had relevant trade experience and accounting information was available to support the levels of projected trade performance. A policy of greater prudence in decisions to lend, together with reduced bank loan to value ratios limited individual purchasers of public houses of the ability to raise finance. Some banks chose to effectively exit from the licensed and leisure property sectors.

9.3.4 In Fleurets' experience, throughout the economic downturn lenders were reluctant to advance finance for acquisition of public houses, particularly those which could not demonstrate robust levels of turnover and profitability or were closed to trade. Even in a much improved economic climate, in the absence of a sustained level of proven trade and profits, very often lenders were not prepared to provide funding unless an operator was prepared to offer alternative security. Banks were generally averse to lending against leasehold interests. The larger multiple or corporate public house operators will not generally need to raise finance for individual property acquisitions however, such operators only acquired sites where there is the potential to generate sales in excess of £20,000 per week, net of VAT.

9.3.5 In subsequent years the economy returned to positive growth, albeit it has fluctuated. In 2014 GDP stood at 2.4%, rising to 2.6% in 2015; falling to 1.6% in 2016; at 1.8% in 2017; but falling to 1.4% in 2018, the weakest annual growth since 2012. UK GDP grew by 0.3% in Quarter 3 2019.

9.3.6 In June 2016 the UK narrowly voted to leave the European Union in the BREXIT vote, this led to considerable political and economic uncertainty resulting in the General Election in December 2019. The political and economic uncertainty was recognised as having hindered business investment decisions and future planning. Import costs increased, particularly in the food sectors, albeit this had subsided pre the coronavirus pandemic. Inflation rose strongly being close to 3.0% at the end of 2017 but falling to 2.5% in April 2018, well above the Bank of England's target level of 2%. However, pre Covid inflation moved closer to the target level at 1.8% in January 2019 and down to 1.7% in September 2019, the lowest level for 3 years. The movements in inflation had triggered a marginal rise in interest rates from 0.25% to 0.5%, and to 0.75% in August 2019.

9.3.7 With the expiry of the Brexit transitional period the early indications were that this had an adverse effect on exports, the economic consequences of this, if any, are as yet unknown. The view of some is that the adverse effects of Brexit were later 'hidden' by the effects of the Covid-19 pandemic.



- 9.3.8 The long term impact of Covid-19 on the UK economy, to an extent, remains unknown, the Government and Bank of England took unprecedented steps to protect businesses. We witnessed a reduction in the Bank of England interest rate to 0.1%, a 12 month holiday given to many businesses, including public houses, which has been extended, in respect of business rates and the introduction of the Coronavirus Job Retention Scheme.
- 9.3.9 As a consequence of rising costs and the immediate future uncertainties caused by Brexit consumer spending was potentially at risk even prior to the coronavirus pandemic. Whilst the public house sector has proved relatively resilient to the various pressures in the past throughout 2020 and part of 2021 the future was uncertain as all public houses and similar business had been forced to cease trading and the period of forced closure was uncertain.
- 9.3.10 More recently the wider economy has been affected by the consequences of the war in Ukraine which has had an impact on food cost inflation and a material increase in utility costs. The UK has seen inflation at levels not experienced since the 1980's and interest rates have increased as a result of an increase in the base interest rate to 5.25%.
- 9.3.11 This all comes on top of the challenges that the licensed business sector has already been faced with over the last 20 years or so. Rising costs and increasing administrative burdens, together with legislative changes have seen significant threats to stability at all levels. Legislation which publicans have had to address includes the following:

Licensing Act 2003

Food Act 1984 (as amended)

Food Safety Act 1990 (as amended)

Equality Act 2010

Regulatory Reform (Fire Safety) Order 2005

Gas & Electrical Regulations in relation to the trade inventory

- 9.3.12 The mass beer market has seen and continues to experience a shift to the off trade, which combined with the success of anti-drink drive legislation have been significant factors leading to a general decline in the volume of traditional on-licensed wet sales. Recent statistics, produced by the British Beer and Pub Association (BBPA) in their UK Quarterly Beer Barometer show a decline in annual beer sales in the on-trade between Quarter 4 2000 and Quarter 4 2018 from 23,358,000 to 12,651,000 barrels, thus representing a decline of c.46% (expressed in terms of 36 gallon brewers' barrels). The highest levels of decline were reported in 2008/09 which is consistent with the consequences of the introduction of the ban on smoking in public places, as well as the onset of the recession. Whilst the decline in beer volumes has continued the speed of decline reduced in mid-2014 to its lowest level since 2003.
- 9.3.13 During the same period annual beer sales in the off-trade showed an increase from 11,215,000 to 14,953,000 barrels, an increase of c.33%. This marks a significant switch between beer volumes consumed in trading premises such as public houses and those consumed at home, which are usually purchased from retail outlets such as off licenses, general stores and supermarkets. The shift has been so significant that in 2015 the volume of beer sold in the off-trade for the first time exceeded the volume of beer sold in the on-trade, a trend which has continued.
- 9.3.14 In the second quarter 2019 beer sales in the on trade decreased by 2.8% on the same quarter 2018.



- 9.3.15 The introduction of the ban on smoking in public places in July 2007 had a significant impact upon the trade of wet led public houses. In September 2008 a report issued jointly by the Federation of Licensed Victuallers Associations (FVLA) and the British Institute of Innkeeping (BII) concluded:

“The smoking ban has had a serious and continuing effect on trade with the very important custom of smokers much diminished and with little positive news in terms of increased non smoker or family business. The impact has been borne most by community, drink based pubs which have also had the fewest resources to withstand the downturn.”

- 9.3.16 The development of large public houses, on local 'high streets', which have the ability to offer discounted prices through their better purchasing power has resulted in a decline in sales in smaller traditional outlets within a radius of up to one mile, where there is public access/transport. As a consequence, many such public houses which were previously only marginally viable have now ceased trading.
- 9.3.17 Regular eating out has become an established part of the British psyche and, as wet sales have declined, many pubs have sought to maintain and develop their business by focusing upon food led custom. However net profit margins on food led businesses are typically 5 to 10% lower than for wet led businesses. Consequently, such pubs are dependent upon achieving a higher level of food sales in order to replace lost wet sales if the overall net profit is to be maintained.
- 9.3.18 Local custom tends to be mostly 'walk-to' trade drawn from the immediate community, probably from less than ½ mile radius. Assuming a business is run in a good, competent and welcoming manner, trade will essentially be attracted by the convenience of the location and the opportunity to socialise with the local community. Local custom will tend to be concentrated towards weekday evenings and weekends.
- 9.3.19 In contrast to local trade, destination custom is often car borne and hence is attracted from a wider catchment area. Customers are drawn to an establishment by virtue of the nature of the facilities on offer, commonly including the availability of meals. Destination food led operations tend to be targeted to a particular market, which may be families, value orientated, fine dining, ethnic or traditional and offer particular desirable characteristics.
- 9.3.20 The essential characteristics of most destination led business are high visibility, ease of access and good parking. The family orientated businesses are usually run as high-volume branded outlets by multiple operators, typical examples of which are Chef & Brewer, Harvester, and Hungry Horse. They may often be combined with outdoor and/or indoor children's play facilities. Such businesses demand prominent road locations, a site of ¾ to one acre, a built area in the region of 7,000 to 8,000 sq.ft and customer area of 2,500 to 3,500 sq.ft. There has been a significant expansion in the number of this type of operation in both urban and suburban areas over the last 25 years.
- 9.3.21 In more recent years an increasingly important requirement has been for such units to be developed near to business parks or at transport intersections. The most active companies in this market in more recent years have been Marston's and Greene King. Following the recession, it has become the case that operators were increasingly unwilling to compromise their site criteria.
- 9.3.22 Customers will also be attracted to destination venues by their setting, for example waterside properties or those where there is some historic interest or relevance.
- 9.3.23 The consequences of the above described economic and social trends are seen to adversely impact on public house trading, reducing alcoholic drink consumption, putting pressure on retail pricing and leading to an increasingly challenging market in which to operate. Such impacts are understood to be central to the declining numbers of public houses, both in urban and in rural districts. The background



of these economic and social trends has increased the risks faced by those making investments in the sector, particularly where there is a history of business failure, or the premises has not traded for an extended period of time.

- 9.3.24 Much continues to be made by Trade bodies and in the press regarding pub closures and the ongoing economic pressures faced by operators. I attach as Appendix **SP7** recent articles from the Sunday Times and Trade Newsletter Propel which highlight the decline in the number of public houses and the pressures faced by them. The sentiment of these articles very much supports the commentary provided above.

9.4 Local Marketplace

- 9.4.1 When undertaking my research in 2014 I established the following public houses were trading in the area.

Public Houses within approximately 0.5/0.6 miles

Butchers Arms, 5 Wilberforce Street, OX3 7AN

Mason Arms, 2 Quarry School Place, OX38LH

Chequers Inn, 17a Beaumont Road, OX3 8JN

Six Bells, 3 Beaumont Road, OX3 8JN

Fairview Inn, 16 Glebelands, OX3 7EN

Royal Standard, 78 London Road, OX3 9AJ

Britannia Inn, 1 Lime Walk, OX3 7AA

Corner House, Hollow Way, OX3 7JF

Public Houses within approximately 0.6-0.8 miles

Ampleforth Arms, 53 Collinwood Road, OX3 8HH

White Horse, 1 London Road, OX3 7SP

Black Boy, 91 Old High Street, OX3 9HT

NB All distances have been taken from www.beerintheeveening.com

- 9.4.2 My recent research indicates all of the above remain trading with the exception of the Fairview Inn which has been redeveloped as a residential property.
- 9.4.3 I consider it relevant to add the Ampleforth Arms did cease trading for a period. Planning consent was secured for a part redevelopment of the site for residential purposes with space being retained for a community pub. My understanding is the pub is now operated by a local group. The pub had been listed as an Asset of Community Value.
- 9.4.4 The Chequers Inn continues to trade albeit the former trading area utilised by the pub has been halved with part now operated as an ethnic restaurant. Research indicates that efforts are being made to secure a change of use for this property.
- 9.4.5 The local area to the Crown & Thistle is well served by local bus routes which provide access to Oxford city centre where there is a vast array of public houses, modern bars, restaurants and clubs.



9.4.6 I am of the opinion that whilst there are not a vast number of public houses in the immediate the local area to the Crown & Thistle is reasonably well served with public houses.

9.4.7 In so far as I am aware, I consider it pertinent to add that no approaches have been made to the current owners or local groups set up with an intention of reopening the Crown & Thistle as a public house. The pub has not traded for c.12 years, and it has been marketed for sale/lease on three occasions despite this there has not been an active campaign to 'save' the pub.

9.5 Assessment of Economic Viability

9.5.1 In my Report dated 4th November 2021 I comment that in the majority of similar cases where I am instructed I undertake a calculation or assessment of trade potential to ascertain if a property can be potentially viable. In this particular case I did not do so for the following reasons.

9.5.2 Due to the long period of closure I considered it subjective to assess the potential trade levels and resulting profitability.

9.5.3 Significant investment would be required in the fabric of the building and refurbishment of the trading areas. I believed the level of cost and risk involved was at a level which would have deterred any operator from pursuing the Crown & Thistle as a realistic opportunity.

9.5.4 It is relevant to reiterate at this point that there had been no interest in the property for continued public house use.

9.5.5 In his Report Mr Watson has undertaken an assessment of the trade potential and the likely costs involved in reopening and operating the business. Mr Watson helpfully states how he has dealt with the various elements which comprise his assessment of viability. Before commenting on Mr Watson's approach, I do consider it pertinent to add that Mr Watson's Report was undertaken in May 2022, some 18 months previously.

9.5.6 I comment as follows on Mr Watson's approach:

Turnover

Mr Watson has adopted a turnover of £375,000 based on his 30 years' experience of dealing with public houses in the south east of England. This is an opinion, I too have an opinion based on 38 years of experience of dealing with pubs in the south east of England having been involved with local breweries, albeit now historic, such as Halls of Oxford and the Aylesbury Brewery Company. Also, I have provided advice to the former Morrells Brewery. In addition, I am a regular visitor to the Oxford area, not just from a business perspective but also because I originate from, and still have family in the area.

My knowledge of the local area leads me to believe that the Crown & Thistle borders two contrasting areas and that trade is unlikely to be drawn from both. I am also of the view that unless the pub were to seek to provide a destination type food offer then I believe food sales would be minimal. I would add that I do not envisage this site as being a destination food location.

Based on my own experience I find Mr Watson's assessment of turnover to be full and would have considered a band of £285,000 to £310,000 to be more reasonable/sustainable.



Gross Profit Margin

The gross profit margin is not only 'driven' by the retail price but also by the price at which the operator is able to purchase the product for resale.

I am in agreement with Mr Watson in that the only potential type of operator I could possibly envisage for the Crown & Thistle is an owner operator. An owner operator of a single outlet has limited purchasing power. Allied to this, in order to secure the levels of sales indicated I believe product pricing would have to be at a relatively competitive level. To a degree this is a result of the passage of time, but I do believe in the current market Mr Watson's adopted wet gross profit margin is full, I would consider c62% to be now more appropriate.

Wage Costs

I envisage a slightly different operation to Mr Watson. I tend to the view this would be a predominantly wet led operation with the provision of televised sport and occasional live music as being essential. Wage costs have increased in recent months and as result whilst I would have broadly agreed with Mr Watson's sentiments in May 2022, I would now allow for wages at c.18% for a wet led business.

Expenses

Expenses fall into two types, fixed and variable. The costs incurred by public houses will vary enormously depending on the size and nature of the property and the style of business operated. I regularly value businesses of the scale projected at the Crown & Thistle and I also regularly represent tenants in rent negotiations with their Pub Co landlords, in such circumstances I have access to their accounts.

Having regard to the uncertainties surrounding the style of operation I generally find Mr Watson's assessment of expenses to be reasonable. The only areas where I would potentially express some concern is with regard to rates/council tax and utilities. If the level of trade projected by Mr Watson were to be achieved then I would anticipate a Rateable Value of c.£30,000, this being the case his adopted expense of £10,000 for rates and council Tax I would suggest is low. In terms of utility costs this has been a massive issue for the sector over the last two years with many operators reporting that the increases experienced have forced them to cease trading. I am aware of many different circumstances with some operators having fixed their gas and electricity charges prior to the increases in cost whilst others have been hit by 500% increases. In my experience multiple operators have been better placed to negotiate more favourable terms. I am of the opinion Mr Watson is a little on the light side with regard to his utility costs.

Earnings Before Interest Tax Depreciation Amortisation and Property Costs

Mr Watson arrives at a level of EBITDA equivalent to 23.8% of his opinion of total sales. This is within a band I would have considered reasonable albeit given recent price increases at the upper end of the band I would have considered sustainable.

Property Costs and Depreciation

Mr Watson has adopted a notional rental value of £35,000 to reflect *"the cost of amortising a loan for the purchase, including loan repayment and interest"*. Based on his assessment of sales and EBITDA the level of notional rent is reasonable. However, is it sufficient allowance to actually cover the cost of borrowing the monies that would be required not only to acquire the property but also undertake all required works.



I have identified that the costs of necessary works and associated fees and inventory items is likely to be c.£500,000, this is in addition to the cost of purchasing the property which for these purposes I shall adopt a figure of £200,000. When legal fees and stamp duty are taken into account a figure in excess of £700,000 will be required. A very large part of my professional role is undertaking valuations for loan security purposes. As I have indicated at 8.22 above this scenario is one where finance would not be readily available from a primary lending source, if indeed at all but one where a secondary lender or even a bridging lender may lend for say 12 months whilst the business is established and then a refinance would take place with a mainstream lender.

Hypothetically, given previous comments there are two issues to consider here, firstly what would the Lender lend against? This is likely to be at best the end value of the property, once the works have taken place but given the absence of any proven accounting history this would be considered high risk, and any loan will be expensive. On this assumption what is likely to be the end value once the works have taken place and the projected level of net profit is proven? Adopting Mr Watson's figures, I would suggest this would be less than £600,000. The operator therefore has a shortfall in value relative to cost. Leaving the cost of borrowing to one side for a moment let us assume the operator can borrow 60% of £600,000, that would leave them with c.£340,000 which they would have to fund through cash or alternative sources.

However, if for arguments sake c.£360,000 could be raised on an assumed 20 year mortgage at say 8% the repayments would be c.£35,800 per annum, not dissimilar to the figure suggested by Mr Watson. However, the reality is that there are very real doubts that such a mortgage would be achievable and secondly the operator would still have to fund c.£340,000. This is, in my opinion, unrealistic.

Mr Watson has adopted a 20 year straight line depreciation of the fixtures and fittings. The implication of this is that the tables, chairs, kitchen equipment etc have 20 year life. In my view this is rather optimistic and I would expect to see such items depreciated over a much shorter term of say 5 to 10 years.

Net Profit Before Tax

This is the figure that the operator could expect to earn. This figure needs to reflect a 'salary' for a couple for their time operating the business; a return to represent the risk of the investment; and a return to reflect the opportunity cost of the investment which is not covered by the mortgage.

Costs to Re-Fit and Reopen

I have covered Mr Watson's comments at Section 7 above.

- 9.5.7 I have reworked Mr Watson's viability assessment (Appendix 5 in his Report) having made a number of adjustments as referred to above. The impact is material with Net Profit Before Tax reducing to £26,000 and the payback period increasing to in excess of 22 years. I reiterate the Net Profit Before Tax is the sum which will be a salary for a 'couple' operating the pub, a sufficient sum to reflect the risk involved with the proposal and also the opportunity cost of having had to invest additional monies which is not covered by the notional rent. I would also stress that Mr Watson's approach does not allow for any acquisition costs. I include at Appendix **SP8** of this Report my reassessment of Mr Watson's approach.
- 9.5.8 Adopting Mr Watson's approach I include at Appendix **SP9** my own assessment of viability, in which I have regard to an assumed acquisition cost of £200,000. My assessment results in a Net Profit Before Tax of £12,550 and a payback period of very nearly 58 years.
- 9.5.9 I must stress that the assessments referred to above are on the assumption that a prospective operator can firstly raise a mortgage against the property and secondly have substantial cash funds which they are prepared to invest in the proposal.



10 SUMMARY/CONCLUSION

- 10.1 The Crown & Thistle has not traded as a public house since 31st December 2011, a period approaching 12 years. Prior to this date there is understood to have been periods of temporary closure.
- 10.2 I am not aware of any public efforts to 'save the pub' or seek an Asset of Community Value during the extended period the Crown & Thistle has not traded.
- 10.3 Over time the condition of the property has deteriorated. A Report from a firm of Chartered Building Surveyors specialising in public houses advises that the cost of reinstating the property to a condition whereby it could trade would be c.£470,000 excluding fees and VAT. For the avoidance of doubt this figure excludes any acquisition costs.
- 10.4 A prudent purchaser and future operator would need to have access to funds of c.£700,000.
- 10.5 A Mortgage Broker specialising in the Licensed Property Sector has advised that they do not believe they would be able to secure a mortgage for an Applicant in this case.
- 10.6 Utilising the turnover and profit projection of the Planning Authority's Expert, Mr Watson I am of the opinion the property would have a value less than the level of investment required.
- 10.7 I am of the opinion that no prudent operator would pursue the reinstatement of the Crown & Thistle as a public house.
- 10.8 The property has been openly marketed for sale or to let on three separate occasions i.e. in 2012, 2015 and 2019. Marketing has been for a total period of c.28 months.
- 10.9 The property has been extensively marketed without material interest from an occupier for the continued use as a public house.
- 10.10 The marketing is now dated, I would however highlight comments made by Mr Watson in his Report, which I would add were based on a lower cost requirement than has been suggested by Andrews Eades.
- "...the project entails risk, and in my view it is unlikely that a pub operator would be willing to take on the restoration of this pub given the level of investment required and the level of return that could realistically be expected."*
- and
- "...I do not consider any prospective pub operator would be prepared to make the necessary investment into restoring the pub to enable it to trade given the likely level of profitability."*
- 10.11 In my opinion when all costs and risk are taken into account the opportunity does not provide an operator with an acceptable return.
- 10.12 Having reviewed and commented on Mr Watson's Report, nothing contained therein causes me to change the opinions I have previously expressed.
- 10.13 I am of the opinion that Crown & Thistle in its current condition is neither economically viable or marketable as a public house.



Appendix SP1



**DAVIS
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Telephone
020 7299 0700

52 Portland Place
London W1B 1NH

04 May 2022

TMW/LMSR/CrownandThistle

West Area Team
Planning Services SA 3.1
Oxford City Council
St Aldate's Chambers
St Aldate's
Oxford
OX1 1DS

FAO: James Paterson - Senior Planner



Dear Sirs,

22/000040/PIP
Crown and Thistle, 132 Old Road, Headington OX3 8SX
Viability Assessment

Introduction and Instructions

I write with reference to your instructions for me to provide you with viability advice in respect of the above closed public house.

I am a specialist adviser in respect of pubs and other licensed premises with 30 years' experience throughout the UK and with particular expertise in London and the home counties. I enclose at Appendix 1 my CV for your information. I have advised on numerous licensed premises for viability purposes throughout southern England over the course of the last 12 years.

Davis Coffery Lyons specialises exclusively in leisure property advice, principally in London and the south-east. We have an active pub agency department which advises on the sale and purchase, as well as rent reviews and other matters on pubs throughout southern England.

I inspected the property on 20 April 2022.

The Council received an application for permission to convert the property to residential use and to discontinue to public house use on the site.

I am instructed to provide my expert opinion as to:-

1. Whether all reasonable efforts have been made to market the premises for its existing use.
2. Whether all reasonable efforts have been made to support and improve the operation and management of the business.
3. Whether it has been demonstrated that suitable alternative public houses exist to meet the needs of the local community.

Registered Number
02133696

Registered Office
30 City Road
London EC1Y 2AB

I enclose at Appendix 2 a summary of documentation supplied to me and upon which I have relied. I reserve the right to amend my advice in the event of additional material information becoming available.

In particular, I have reviewed the Expert Witness Report of Stuart Parsons BSc MRICS FAVLP dated 4 November 2021 on the instructions of the applicant in respect of the property.

Location

I enclose at Appendix 3 Location plans.

Headington is situated about two miles east of Oxford city centre. It is a vibrant commercial and residential centre and also serves as a residential district for people working and studying in Oxford city centre as well as Cowley and other surrounding areas. Headington has a total population of 6,581 in 2021 ((local Insight Publication – Oxford CC).

It benefits from good road communications via the Eastern By-pass Road and the A40 (leading to the M40) and has a regular bus service to Oxford city centre.

The John Radcliffe Hospital is in Headington along with the Nuffield Hospital and other medical and research establishments, together with the BMW car plant at Cowley to the south, which are all major components of the local economy. Oxford Brookes University main campus is situated west of Headington town centre and thus Headington has a large student population.

Old Road is situated about half a mile south of Headington commercial centre and London Road. The subject property is on the south side on the eastern corner of the junction with Titup Hall Drive approximately midway between the traffic light junction with Windmill Road to the west and the bridge over the by-pass to the east.

This is a residential district which has different characteristics on each side of Old Road. To the south is the Wood Farm district. This is an area which comprises largely municipal housing, including terraced and semi-detached housing and a major high rise residential block, Foresters Tower. The Wood Farm estate has a total population of 3,605. (Local Insights – Wood Farm Oxford CC).

To the north is an area of privately owned housing which is essentially in private ownership and more affluent in nature extending towards Headington Quarry.

The area therefore has a large resident population which comprises the catchment area for the pub.

A pub in this location is likely to draw most of its custom from residents of these two neighbourhoods. It is unlikely that the pub would draw significant volumes of custom from east of the by-pass or from west of Windmill Road, which serve as natural barriers to the catchment area. The area on the west side of Windmill Road and The Slade comprises The Nuffield Hospital and surrounding residential roads. Although it is possible some staff from the hospital might be drawn to this property, Windmill Road is a major thoroughfare, and this would deter many potential customers.

Description

I enclose at Appendix 4 a selection of photographs of the property taken at the time of my inspection.

The property comprises a closed former public house of brick construction, largely painted white, under a pitched tiled roof. The property has single storey rear sections under flat felt roofs and some outbuildings. The main building probably dates from the late 19th century. The property is constructed mainly on ground floor with a smaller first floor flat as well as a basement cellar.

The property occupies a corner location and has paved outside areas, which were used as an outside beer terrace and garden as well as ancillary loading/parking space.

Accommodation

Internally there are two separate trading bar areas, each has its own servery and each its own set of male and female washrooms.

There is also a commercial kitchen and storage space.

I was unable to access the basement however I understand it comprises a former refrigerated cellar facility and general storage space.

The upper floors comprise ancillary residential accommodation. This can be reached by an internal staircase from the rear of the trading areas, or alternatively via a separate external entrance via an outside staircase to the flat roof and entrance at first floor level. I was unable to access the residential accommodation at the time of my inspection however I note from Mr. Parsons report that it comprises an office, lounge, two bedrooms, kitchen, and bathroom. It is possible that some of these rooms are at roof level.

Externally there is a detached single garage and a timber shed.

The outside areas comprise areas which could be used as outside trading space as well as areas that have been separated by fencing for ancillary storage space.

Condition and Repair

The property is in very poor condition.

Trading Areas

The former trading areas of the property in particular, have been allowed to deteriorate into a very poor state of repair. Roofing tiles and the main roof over part of the trading space has been damaged by the collapse of a chimney stack. External rendering has been allowed to decay. External joinery is in very poor condition. There is damage to external elevations.

At the time of inspection, the weather was dry, however it quite likely that the property has been allowed to deteriorate because of lack of maintenance and repair such that the trading and ancillary areas at ground level are no longer wind and watertight.

I am unable to comment on the condition of the basement however I am advised that it is damp, which is common to pub cellar space in buildings of this nature.

Internally, the trade and ancillary areas throughout are obsolete and the entire space requires comprehensive refurbishment and re-fitting in order to bring it back to an acceptable standard to trade. This would include the bar areas, washrooms, kitchen and ancillary space.

Residential Upper Parts

I was unable to inspect the interior of the upper residential parts however from an external inspection, it appeared that the residential parts of the property have been maintained and appear to be wind and watertight and in an acceptable condition. The main roof over the flat has been maintained and this part of the property is wind and watertight and in reasonable order.

It is likely that no investment would be required to the upper residential accommodation.

External Areas

The timber storage shed appears to be a relatively new structure and is good order.

The paved garden area is neglected but could be returned to a condition suitable for it to be utilised as an outside trading area.

Planning

I have not investigated the planning history in respect of the property. It is understood that the property has had lawful use as a pub for more than 10 years.

Trading History

I understand the business closed at the end of December 2011. Up to this date, the property was owned by Greene King and leased to a tenant. No information has been provided in relation to the previous trade from the pub or the level of rent that was paid.

It is understood that the pub previously experienced problems with poor management leading to unsociable behaviour and disturbance. I consider this to be historic and of no relevance to the current trading potential of the pub.

The property was sold to the current owners in November 2012. The purchase price at that time is understood to have been £425,000 from Land Registry records.

The owners do not themselves appear to have not sought to re-open the pub during the last nine years.

Marketing History

It is understood that the property was marketed by Greene King during 2012 prior to purchase by the current owners. This marketing was undertaken by Fleurets, who are specialist agents in the sector and are appropriate agents. It is noted that there was substantial interest in the property at that time. It is understood that most of the interest at that time was from prospective purchasers wishing to change the use of the property and not seeking to retain it as a pub.

I understand from Mr Parsons' report that the property was marketed on a leasehold basis only in 2015 for a period of 6 months.

I note the sales particulars do not give a guide rent, which is not unusual. I do not consider the absence of a quoting rent to be material. It would be normal for any interested parties to request a viewing, and discuss potential terms, which would include not only rent but also premium or reverse premium/incentives and other lease terms such as repairing obligations.

It is unclear what condition the property was in by this time, having been closed for more than two years. It is unclear what level of investment in repairs and re-fitting and re-equipping that any interested party would have had to have made at that time in order to bring the property up to a standard in order for it to re-open as a pub.

I note that Fleurets received interest from only one operator at that time.

The property was also marketed again in 2019 on a leasehold basis. Again, it is unclear what condition the property was in by this time, having been closed for more than two years. It is unclear what level of investment any potential lessee would have had to make at that time in order to re-open the property. In my opinion, it is reasonable to assume that by 2019, the property would have fallen into considerable disrepair.

Between January 2019 and June 2021, the property was marketed through a local agent, again on a leasehold basis. There were no expressions of interest.

A six-month marketing period is relatively short. A longer period of exposure to the market could potentially have resulted in additional interest. However, leasehold properties in poor repair are unlikely to attract high levels of interest, and it is questionable whether a longer period of exposure would have been particularly beneficial.

There is little prospect of any operator wishing to take a lease on the property in poor repair without a substantial financial contribution from the lessor to contribute towards the costs of repairing the property and returning it to a condition where it was capable of trading. This is because the level of investment required to repair, refurbish, and re-fit the property as a pub would be difficult to justify against the likely returns that a lessee could earn either in terms of annual profit after rent or leasehold asset value.

It is therefore of no surprise that there was no interest in the property when marketed on a leasehold basis given the likely condition. The level of investment and commitment that a potential operator would need to make would not be commensurate with long term return that could accrue to a lessee.

This would not necessarily have been the case had the property been marketed on a freehold basis.

There is no evidence presented to suggest that the property has been made available on a freehold basis at any time since 2012.

If the freehold had been made available, a purchaser would have had the opportunity to benefit in the long term from the investment required to return the property to full repair, both in terms of annual profit (which would be greater given that no rent would be payable) and asset value.

If the property had been marketed on a freehold basis in 2015, at an appropriate price, given the condition at that date, it is possible that there could have been interest from pub operators.

It is also possible that there could have been interest in the freehold in 2019 on a similar basis. However, I am unable to confirm this given the absence of a marketing campaign on these terms at those dates.

In my opinion, because the property has not been made available on a freehold basis since the current owners acquired it in 2012 that not all reasonable efforts have been made to market the property as a public house.

Supply of Other Pubs in the Area

I have defined the catchment area for this pub above.

Within this defined area there are no other pubs.

I note that Mr Parsons has identified 8 pubs within 0.6 miles from the website www.beerinevening.com. I externally inspected all of these properties at the time of my inspection to the subject property.

I would make the following comments and observations on these.

Address	Comments
Butchers Arms 5 Wilberforce Street OX3 7AN	Situated west of Windmill Road, serving a different residential community. This is a discreetly located small local pub which appears to be operating successfully as a Fullers tenancy in spite of an inconspicuous location and competition.
Masons Arms 2 Quarry School Place OX3 8LH	Situated in Headington Quarry small wet led community local which appears to be trading reasonably well against considerable local competition.
Chequers Inn 17a Beaumont Road OX3 8JN	Situated in Headington Quarry adjacent to Indian restaurant. A small wet led community local which appears to be trading reasonably well against considerable local competition.
Six Bells 3 Beaumont Road OX3 8JN	Larger managed house (Greene King) with car park in a more prominent location also in Headington Quarry with a higher proportion of food sales.
Fairview Inn 16 Glebelands OX3 7EN	No longer in existence. The pub use appears to have been discontinued in about 2014.
Royal Standard 78 London Road OX3 9AJ	Situated in commercial centre of Headington. Small wet led community pub with food offer.
Britannia Inn 1 Lime Walk OX3 7AA	Situated in commercial location in Headington town centre. M&B managed house with large car park in prominent position with full food offer and high proportion of food sales.
Corner House Hollow Way OX3 7JF	Situated south of Slade Park, south of Wood Farm estate. Prominently located on a road junction and serves a different residential community and passing trade.

I do not consider the three further pubs that Mr Parsons has identified within 0.8 miles of The Crown and Thistle to be relevant because of their distance from the subject property and the fact that they do not sit within my defined catchment area for this pub.

Whilst in geographical terms there are a number of other pubs offering a variety of wet led and food led style of trade, the immediate area in the close vicinity of the Crown and Thistle does not have any other pubs.

Specifically, there are no pubs on the Wood Farm estate. The nearest is The Cornerhouse, which is on the west side of Horspath Driftway, which marks the southern edge of the estate. This is a reasonably densely populated area with a large proportion of workers from the nearby Cowley car plant. It is unusual for an estate of this size and demographic profile not to have a local community pub.

The area to the north of Old Road has access to the pubs in Headington Quarry to the north, in particular The Masons Arms, The Chequers and Six Bells. These are however at some distance from residents living on or near the southern end of Quarry Road.

I consider the supply of pubs in the immediate area to be low given the nature of the surrounding catchment area.

Market Commentary

The UK hospitality market since 19 July 2021 has operated largely without statutory restrictions (some regional variations). This follows a period which commenced on 18 March 2020, when the sector experienced a succession of restrictions at different times; complete closure; the tier system; curfews; table service; rule of six and many others. It is becoming increasingly unlikely that further restrictions will be re-introduced.

The hospitality sector had government support in the form of the Job Retention Scheme (JRS or furlough), rates relief, a reduction in VAT on food and soft drinks to 5% from 20% and a moratorium on lease forfeiture for non-payment of rent. Some of these measures remain in place and are being wound down over the next few months. The sector is now emerging from this period of destabilization.

However, the impact of the war in Ukraine, is as yet unclear and could lead to further de-stabilisation and reduced consumer confidence.

Sales statistics from the CGA Coffery Peach Tracker, one of the leading indicators for the sector, shows that managed house operators are seeing a like for like increase in sales in January 2022 as against January 2019 of 3%. The sector is returning to growth.

The concessionary VAT rate was removed from April 2022 and is widely expected that most operators will seek to increase their menu prices to maintain the level of gross margin that they have established over the last 2 years. This will lead to a further increase in revenue levels.

Such increases will however be needed to offset the increased costs affecting the sector. High energy bills are widely reported and will affect the sector. Background inflation will affect all operating costs.

There are a number of key trends which will affect future trading patterns across the hospitality sector. Trading patterns have seen some re-distribution.

Changing working patterns are leading to a reduction in commuting to city centres. It is expected that the volume of commuter traffic to central London and other city centres will not recover to pre-pandemic levels in the medium. This will lead to reduced footflow in parts of city centres and will have an adverse effect on trading prospects, particularly for coffee shops, sandwich bars and the like which are aimed at the grab n go market.

Reduced commuting to offices and other workplaces is leading to improved trading prospects for businesses in residential areas, as people increasingly stay closed to where they live throughout the week, patronizing local establishments. This is leading to strong trading levels in cafes bars and restaurants in suburbs and residential neighbourhoods. Research from The University of Sheffield suggests that city centre pubs restaurants and cafes could lose up to £3billion pe annum in spending from customers as a result of this change in behaviour.

The hospitality sector is currently experiencing labour shortages of both a short and long term. There is likely to wage inflation in the sector as a consequence, fuelled by background inflationary pressures.

Approach to Viability Assessment

For a business to be considered viable it must be capable of generating a profit on a sustainable basis in the long term. There are, by necessity, several different definitions of profit, all of which are valid, and all of which have applications by accountants and other users of accounting information for different purposes.

For example, gross profit is calculated by taking costs of sales (direct sales) from turnover or sales; operating profit is a measure of profit after wages costs and variable costs of the business have been deducted from sales. Sometimes for valuation purposes the appropriate profit level is EBITDA (earnings before interest, tax, depreciation and amortisation).

None of the above definitions is appropriate to assess viability. The appropriate definition of profit to be applied in viability assessments is net profit before tax. This is the profit earned firstly after property costs (whether rent or a notional return on freehold asset value in terms of interest repayment and amortisation) and secondly after a charge is made for depreciation.

All businesses incur property costs, either by way of payment of rent, or through the cost of owning a freehold property. Similarly, all businesses incur depreciation of assets. Any business which is unable to meet these costs is not a viable business. I set out below further commentary as why this is so:

Depreciation

All fixtures, fittings and equipment employed by any business, whether a public house or in any other field of enterprise, wear out over time and need to be renewed and replaced. Depreciation is the non-cash allowance made in the preparation of all company accounts of all businesses to reflect this fact. If businesses fail to account for the replacement of fixtures, fittings and equipment, ultimately, they will be unable to continue to operate as businesses.

Any pub which does not make the charge for depreciation in their accounts will cease to exist once fixtures, fittings and equipment wear out. It is therefore a key requirement for all businesses to make a charge to depreciation to be viable in the long term.

Property Costs

All businesses incur property costs. In the case of businesses occupying properties on a leasehold basis at a market rent, there is effectively no capital employed in the land and buildings and no return on that capital employed is required. The property costs are transparent in the accounts with the payment of rent included in the overheads of the business.

Where a business occupies a freehold building, it has capital tied up in the asset. This capital could be employed elsewhere, either in the business itself, or in other alternative investments. Indeed, the capital could be earning a return by leasing the property out to a third party. There is an opportunity cost associated with the capital employed in owning the property. This is independent of the operation of the business the business itself.

For a business to be viable, an appropriate rate of return needs to be earned against freehold assets to reflect the opportunity cost associated with the capital employed in the ownership of property asset which is entirely unrelated to the operation of the business itself.

A business must be able to show these costs in their accounts to be proven to be viable in the long term.

Assessment of Viability

In assessing the potential viability of this property, I have sought to establish its potential level of turnover and profitability. I have firstly considered the level of trade that I believe could be achieved by the average competent operator on a 'Fair Maintainable Trade' (FMT) basis, which is a concept which is widely adopted by valuers of licensed properties.

I also am of the view that it is difficult to assess the trading potential of the pub given the passage of time since it last traded and the absence of actual accounts. However, it is evident from an inspection of the surrounding area that there is little direct competition within walking distance for a large residential community of Wood Farm and close by. It is also evident there are a number of other pubs in the area, both large and small, wet led and food led, which appear to be trading successfully.

Style of Trade

I would expect the property to trade as a largely wet led community pub. Custom would be drawn from the surrounding residential community of Wood Farm and from north of Old Road. The pub would probably trade seven days a week, from lunchtime until no later than midnight. The business would offer a full range of alcoholic and non-alcoholic beverages and a simple conventional pub food menu.

The business would be operated, probably by a couple or co-habitant team, living in the residential accommodation above, supported by casual labour during busier periods.

It is possible that the pub could trade without offering food, which would result in lower revenue, which would be offset by lower wages costs and an improved gross margin (see below). The overall effect on profitability could be similar.

The business would need to offer sports broadcasts, football boxing etc. There could be scope for occasional live music entertainment, local bands, karaoke nights etc.

The paved outside areas would be beneficial in drawing trade during summer months.

Financial Assessment

I set out my calculations at Appendix 5.

I would make the following observations on my calculations.

Turnover

I assess the realistic trading potential of the pub, on an FMT basis, to be in the order of £375,000 per annum net of VAT. This is based on my experience in advising in respect of pubs of this nature throughout the south east of England over 30 years.

This equates to about £7,211 per week net of VAT. This assumes the property is refurbished to an appropriate standard and style, for the location and the likely customer base. In arriving at this figure I am assuming that food and drink pricing is in line with post pandemic levels and is at a level which makes the offer affordable for the local community.

Gross Profit Margin

I have adopted a wet gross margin of 65% and a food margin of 60%. This reflects the competitive pricing that would be required in this neighbourhood to attract regular trade and fact that the operator would be an independent without multi-site purchasing power.

Wages Costs

I have assumed that the business would largely be operated by a live-in couple. My figure includes Employers' National Insurance contributions and statutory pension contributions. I have not made a separate assessment of proprietor's drawings and my assessment of wages does not include the owners' drawings. My wages cost figure represents the additional cost of casual labour both bar staff and potential kitchen staff.

If the pub did not offer food, then the wages cost would be reduced, which would be offset by reduced revenue.

Expenses

I have set out my estimate of likely expenses for this business, assuming a competent operation. My figures are based on my experience of valuing numerous pubs of this nature on a regular basis.

I have adopted a figure for repairs and renewals which allows a sinking fund to maintain the fabric of the building in full repair in the medium term.

I have allowed for the significant current inflation in utilities costs, as well as anticipated inflation for all overheads over the next 12 months at least.

Total overheads for the business are estimated to be £77,000.

Earnings Before Interest Tax Depreciation Amortisation and Property Costs

In my view, the business can generate a EBITDA profit before any property costs, in the order of £89,250 (23.8%).

This is a reasonable level of return at this profit level.

Property Costs and Depreciation

In assessing property costs, I have adopted a notional rental value of the property of £35,000 per annum. This includes the rental value of the upper flat. This figure equates to about 9.33% of revenue which is a figure which is to be expected for a pub of this nature.

If the property was owned on a freehold basis, this figure of £35,000 per annum would reflect the cost of amortising a loan for the purchase, including loan repayment and interest.

In assessing the necessary charge for depreciation, I have adopted a value of £75,000 for the fixtures and fittings. This includes all front of house equipment, chairs tables, garden furnishings, as well as back of house equipment such as commercial catering equipment, extraction equipment, chillers, freezers, cookers, grills microwaves, as well as cellar chillers and beer lines etc. I have adopted a 20 year straight line depreciation policy.

Net Profit Before Tax

Based on my estimated revenue, I consider this pub could generate an annual profit before tax in the order of £50,500 (13.47%).

This figure is the profit that an owner occupying couple could expect to earn, in addition to which they would benefit of occupying the residential flat.

Costs to Re-Fit and Re-open

I have separately assessed the likely costs to refurbish and re-open the pub. I have assessed this at a relatively high level since I am not a building surveyor and do not have specific expertise in this area. However, I am familiar with projects of this nature generally, including pub refit costs.

I have broken the costs into exterior, interior trading, ground ancillary and garden. I have assumed that the first floor flat is in an acceptable condition as it is currently inhabited. I have made an allowance for pre-opening expenses and the costs of holding the property during the refurbishment period. I have not made any explicit allowance for professional fees, any fees arising are assumed to be included in my 'high level' figures.

The total cost of returning the property to a condition ready to trade is therefore estimated at £325,000.

Return on Investment and Payback

I assess the payback period to the operator of returning the property to pub use would be in the order of 6.44 years.

Although this would represent a modest return, the project entails risk, and in my view it is unlikely that a pub operator would be willing to take on the restoration of this pub given the level of investment required and the level of return that could realistically be expected.

Review of Expert Report of Mr Parsons

I have reviewed the viability report prepared by Mr Parsons dated 4 November 2021. In this section, the paragraph numbers to which I refer are those in Mr Parsons report throughout,

I note Mr Parsons expertise which is acknowledged.

I note and agree with Mr Parsons comments at 4.5 regarding viability and the need to have regard to costs required to make a property ready for the commencement of trade.

I note and agree with Mr Parsons comments regarding re-opening closed pubs at 4.12 – 4.14.

I do not accept that the covid-19 pandemic will result in a lesser chance of a pub re-opening. Since Mr Parsons wrote his report, trading conditions post pandemic have become clearer.

I note Mr Parsons has stated that he has approached the potential viability of the pub on a similar basis. However, Mr Parsons has not expressed a specific opinion either as the potential revenue that the pub could generate; nor of the potential profitability of the pub; nor indeed a specific estimate as to the cost of restoring the pub to a trading condition. As such he has not provided any information as to how he has reached his conclusion that the pub is not viable.

Summary and Conclusions

I set out below a summary of my opinions and findings as requested.

Whether all reasonable efforts have been made to market the premises for its existing use.

The property has been marketed on a leasehold basis at a market rent at various different times. The property does not appear to have ever been marketed on a freehold basis. As a result I do not consider that all reasonable efforts have been made to market the property for its existing use.

Whether all reasonable efforts have been made to support and improve the operation and management of the business.

The condition of the trading areas of the property has been allowed to deteriorate since closure. As a result, the property now requires substantial investment to return it to a condition such that it could be operated as a pub again. Had the property been maintained in full repair, the prospects of re-opening the property as a trading pub would be much improved. As a result, I do not consider that all reasonable efforts have been made to support and improve the operation and management of the business.

Whether it has been demonstrated that suitable alternative public houses exist to meet the needs of the local community.

Although there are several pubs within half a mile of the property, these do not specifically serve the Wood Farm estate. As such I do not consider that it has been demonstrated that there are suitable alternative public houses to meet the needs of the local community.

Whether the pub can be operated viably.

The Crown and Thistle, had it been maintained in full repair, could now be trading viably as a community local pub. However, given the extent of disrepair, I do not consider any prospective pub operator would be prepared to make the necessary investment into restoring the pub to enable it to trade given the likely level of profitability.



**Trevor Watson BSc MBA FRICS
Executive Director**



APPENDIX 1
CV of Trevor M Watson BSc MBA FRICS

Name	Trevor Martin Watson
Position	Executive Director
Company	Davis Coffery Lyons 52 Portland Place London W1B 1NH
Qualifications	BSc (Hons) – Land Management MBA – Master of Business Administration FRICS – Fellow of the Royal Institution of Chartered Surveyors
Other Roles	<p>RICS – Secured Lending & Securitisation Committee - Former Member This committee was responsible for RICS policy on all matters relating to secured lending valuations and securitisation valuations.</p> <p>UK Hospitality – Property Group – Member This committee is responsible for UK Hospitality policy and lobbying on matters relating to leisure and licensed property matters in the UK. It is ‘the voice of the hospitality industry in the country and represents all pub, restaurant and hotel operators throughout the UK.</p> <p>RICS – Trading Related Valuation Group - Former Member This group was responsible for RICS policy on all trading related property issues, i.e. valuation standards and methodology for pubs, restaurants, nightclubs, bars, hotels, health care, etc.</p> <p>RICS – Contributor to proposed updated guidelines on the valuation of trading entities – February 2020.</p> <p>RICS – Expert Witness Certificate</p> <p>RICS – Registered Valuer</p>
Field of Expertise	<p>30 years’ experience in practice specialising in Licensed leisure business and property valuations:</p> <ul style="list-style-type: none"> Public Houses Restaurants Private Members Clubs Nightclubs Theatres Other licensed leisure establishments Other leisure establishments Care homes and children’s’ nurseries Dental practices <p>UK experience and expertise. Particular expertise in central and Greater London and the Southeast.</p>

Current Role	<p>I lead a team of four Chartered Surveyor Registered Valuers, all of whom are specialist valuers in the hospitality and care sectors in the UK and only undertake formal valuation work. The majority of instructions are in respect of leisure properties or leisure businesses. I am responsible for management of the team and have overall responsibility for valuation standards and activities within the department.</p> <p>The department issues more than 500 formal valuation reports each year. The department undertakes trade related valuations as well as investment valuations, and development appraisals.</p> <p>The department also provides viability advice on leisure properties and businesses usually for planning purposes.</p> <p>Our advice ranges from large portfolio valuations up to c.£1Bn to major single asset valuations up to £150m to small individual businesses and assets worth £100k.</p>
Memberships	<p>RICS – Consultee on RICS valuation guidelines and standards for trade related property valuations - 2020 UK Hospitality – Member of UKH Property Group ELF (Entertainment and Leisure Forum) <i>This is a by invitation only forum comprising 26 leading specialist professional valuers of leisure properties and businesses in the UK internationally.</i> LPF (Leisure Property Forum) <i>Networking organisation for leisure property professionals</i> RPAS – Restaurant Property Advisors Society – founder member AVLP – Association of Licensed Property Valuers – former member</p>
Conferences and Presentations	<p>I am a regular contributor and speaker at industry events and conferences including:</p> <p><i>CGA/DCL – Virtual Conference May 2020</i> <i>CGA Future of Finance Conference June 2019</i> <i>RICS Commercial Valuation Conference 2015</i> <i>Propel Club and Bar Conference 2015</i> <i>M&C Restaurant Conference 2015</i></p>



Clients

Banks

Barclays
RBS/Nat West
HSBC
Coutts
Metro
Lloyds TSB Group
Habib Bank
Clydesdale
Goldman Sachs
JP Morgan
Octopus Capital
Nomura
Alica
Together Finance
AIB
Cynergy
Oaknorth
Shawbrook
West One Loans
Thincats

Operators

Mosaic Pub Group
Imbiba
Oakman Inns
David Lloyd Leisure
Stonegate
Cubitt House
Bel and the Dragon
BFI
Brewhouse and Kitchen
Craft Beer Company
Brasserie Bar Company
Corbin and King
Amsric
Drafthouse
Caprice Holdings
Sir Terrance Conran
Food and Fuel
ETM Group
Kidzania
Ping Pong
Sushi Samba
Casual Dining Group
Cirrus Inns
SME Group
Thai Square
Lighterman Inns

Operators (cont.)

Heartstone Inns
Optima Coffee
Ricker Restaurants
Alan Yau
Bourne Capital
Cascade Group
GRS Inns
London & Regional
London Fine Dining Ltd
Mint Group
HMV Plc / MAMA Group
Cuba Bars
D&D Restaurants
Black n Blue
Gold Brick Pub Co
We Are Bar
Soho Bars
Columbo Group
Eclectic Bars
Hilton Hotels
Frank Truman
Theatres Trust
Drake & Morgan
Barworks
Kout Food Group
Antic

Private Equity

Lloyds Development Capital
Downing
TDR
Roundshield
Mayfair Capital Partners
Next Wave
Inflexion
Legal & General Ventures
Alchemy Partners
Risk Capital Partners
ESO Capital
First Merchant

Others

West Berkshire County Council Royal
Borough of Greenwich
Oxford City Council
Dover District Council
Stratford upon Avon District Council
Transport for London
Bromley Council
Brent Council
Grosvenor Estates
Henderson Investors
St George's Housing
Capital & Counties
Minerva
CBREi

**Recent Expert
Appointments**

Mayfair

Valuation advice on major private members club

West End

Single Joint Expert Appointment on the value of a member's club restaurant with rooms

Soho

Partnership dispute in respect of valuation of nightclub

North London

Alleged solicitor negligence in respect of a venue/club

Hampshire

Breach of covenant action in respect of ice-skating rink

Greater London Restaurant

Alleged Valuer negligence

Home Counties restaurant

Alleged valuer negligence

Central London prime restaurant

User clause dispute

3 Adult Gaming Centres and 1 Nightclub

Alleged valuer negligence in providing a loan security valuation

Ten tied leasehold pubs

Alleged valuer negligence

North-east restaurant

Alleged valuer negligence

Major West Country leisure development

Alleged valuer negligence

Southwest London restaurant

Business interruption/business dispute

South London nightclub

Loss of profit calculation on extinguishment of the business

North London bar

Surrender value of lease

Two City fringe nightclubs

Quantification of losses to bank on defective lending on leasehold security

Hampshire pub

Diminution in value of pub, adjacent hotel development site and rear land

North London take-away restaurant

Loss of Profit calculation

Pizza restaurant portfolio

Loss of earnings from potential roll out of restaurant chain

River Thames permanently moored boats

Diminution in business value (licensed bars and party venues)

Franchised pizza restaurant chain

Calculation of goodwill

Fulham – Italian restaurant

Calculation of loss of profits – extinguishment of business

North London - Park Cafe

Market Rental Valuation Advice

Covent Garden restaurant

Diminution in value arising from introduction of break clause

South-west London

Loss of profit and diminution in value arising from defective premises

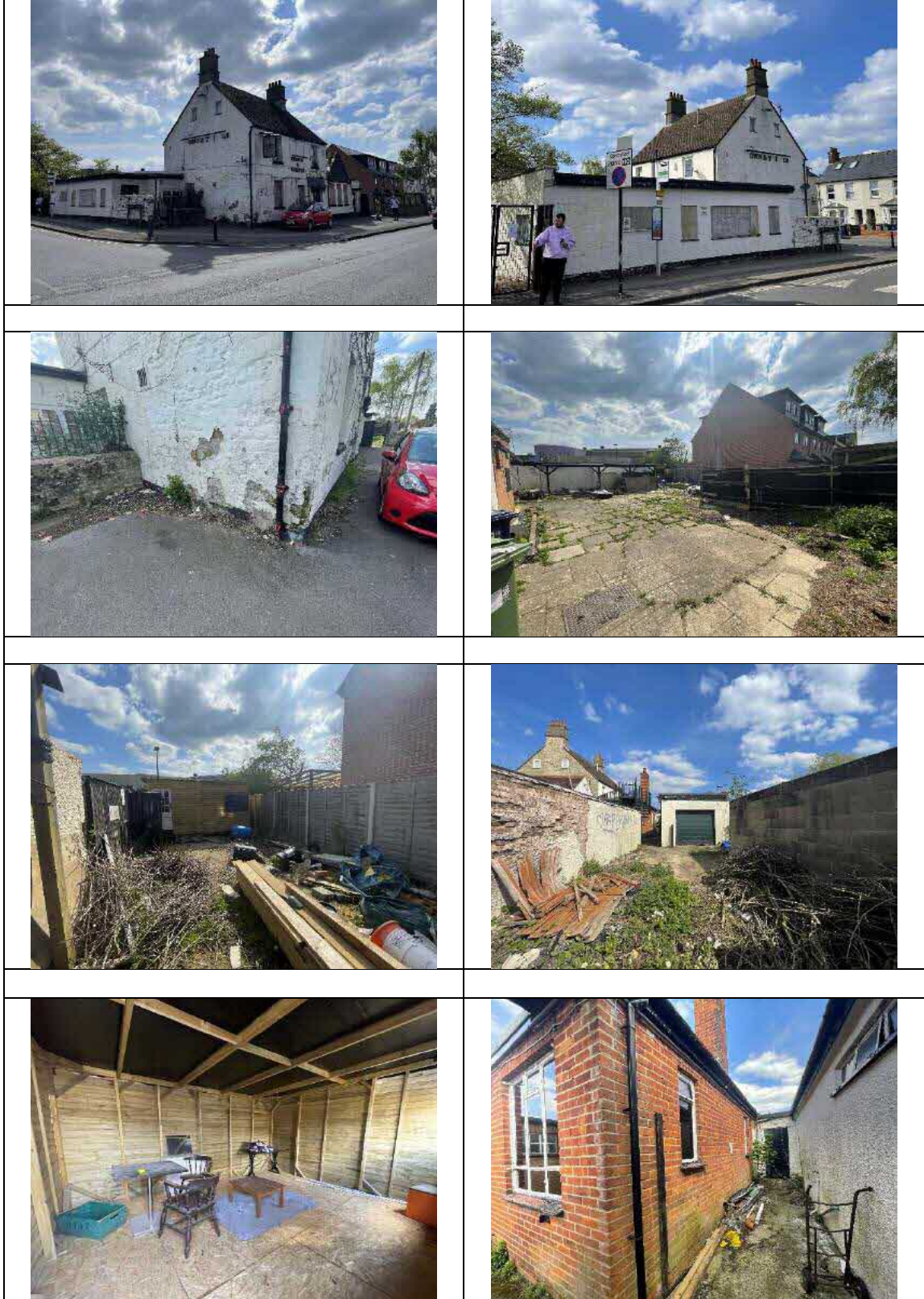
APPENDIX 2
Information Supplied and Relied Upon

1. Expert Witness report of Mr Parsons – November 2021
2. Local Insights – Headington May 2021
3. Local Insights - Wood Farm 2021
4. Title Plan

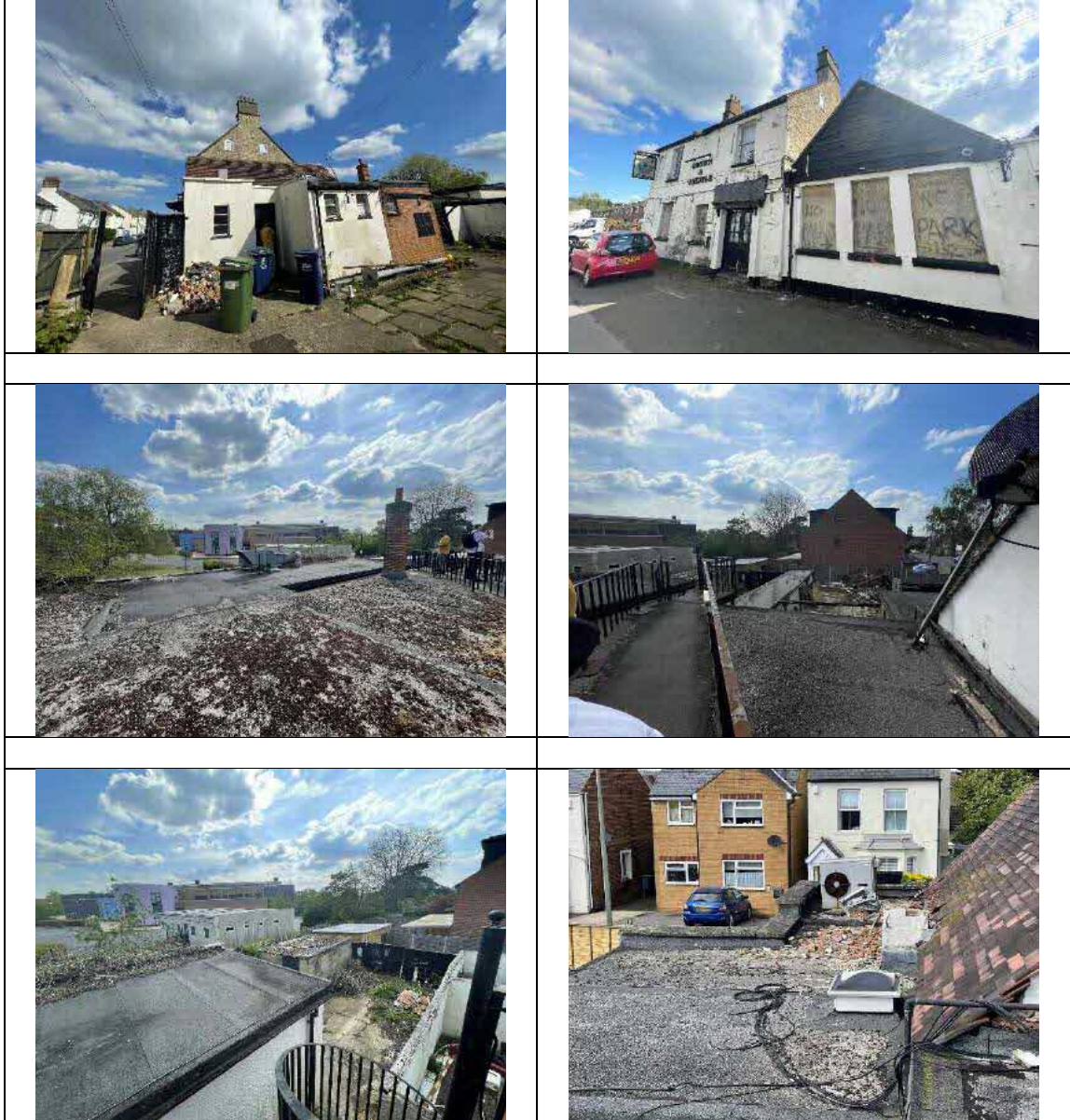
APPENDIX 3
Location Plans



**APPENDIX 4
Photographs**







**APPENDIX 5
Assessment of Viability**

Crown and Thistle	FMT	
Wet Takings	6,250	325,000
Food Takings	962	50,000
Total Revenue	7,212	375,000
Wet Gross Profit	65.00%	211,250
Food Gross Profit	60.00%	30,000
Total GP	64.33%	241,250
Expenses		
Wages & Salaries	20.00%	75,000
Rates and Council Tax	2.67%	10,000
Insurance	0.80%	3,000
Beer Gas	0.40%	1,500
Utilities	4.00%	15,000
Telephone	0.27%	1,000
Repairs & Renewals	2.67%	10,000
Waste Disposal & Cleaning	0.80%	3,000
Advertising/incl website and social media	0.80%	3,000
Motor and travel	0.53%	2,000
Entertainment	0.53%	2,000
Printing, Postage & Stationery	0.13%	500
BT Sport/Sky	2.67%	10,000
Accounting and bookkeeping	1.33%	5,000
Bank charges	0.53%	2,000
Licences & Subscriptions	0.27%	1,000
Stocktaking/professional fees	0.80%	3,000
General Expenses	1.33%	5,000
Sub-total expenses	20.53%	77,000
Sub-total incl Wages	40.53%	152,000
EBITDA before property costs	23.80%	89,250
Property occupation costs/rent	9.33%	35,000
Depreciation		
Value of FF&E		75,000
Depreciation period - years		20
Depreciation charge		3,750
Total additional costs	10.33%	38,750
Net Profit Before Tax	13.47%	50,500
Return on Investment		
Refurbishment Costs		
Exterior		125,000
Interior trading		75,000
Ground ancillary		50,000
Garden		25,000
Pre-opening costs / void expenses		50,000
Total set up cost		325,000
EBITDAR / Set Up cost		27.46%
Payback on investment		6.44



Appendix SP2

Medallion (Oxford) Limited
3 Cotswold Crescent
Marston
Oxford
OX3 0SG

For the Attention of Mr Simran Gill

PE/WK 23/1289
16 October 2023

Dear Mr Gill

Schedule of Reinstatement for the former Crown and Thistle Public House

Further to your recent correspondence, we confirm that we carried out our inspection on 3rd October 2023.

All directions referred to within our report are taken as if facing the front entrance of the property from Old Road, outside.

We would confirm that this schedule has been prepared by Mr P Eades MRICS. As a practice we carry out a large number of surveys and reports for various pub companies in the country and therefore have extensive experience with regard to dilapidations and reinstatement of such premises.

The property was formally owned by Greene King. Andrews Eades has some historic involvement with the premises at change of tenancies; the public house was disposed of by Greene King due to it not being viable to be run as a public house.

The property comprises a detached two storey building with single storey additions.

It has been vacant for some time and is now in a poor state of repair, having been subject to vandalism.



Our report, which is attached, lists the areas of the property in a similar way to which a Schedule of Dilapidations would be drawn up, listing the items of disrepair and budget costs for repair or reinstatement assuming it were to re-open as a public house.

Our summary is below and photographs are attached for reference. Additional photographs taken at the time of inspection can be provided on request.

All costs would be subject to VAT.

Should you require any further information or assistance, or should you wish to discuss the report, please do not hesitate to contact us. We have taken this opportunity to enclose our fee invoice for your kind attention.

Yours sincerely



Philip Eades Dip (Surv) MRICS
Andrews Eades
Chartered Surveyors

Att

SUMMARY

Total budget for building works	£ 366,315
Add scaffold	12,000
Add contingency sum	20,000
	<hr/> 398,315
Add Contractor's prelims 12%	47,798
Total Budget for Reinstatement (excluding VAT)	<hr/> £446,113 <hr/>

Total budget cost for refurbishment, reinstatement and fitting out, excluding professional fees and VAT: £446,113 (four hundred and forty six thousand one hundred and thirteen pounds).

Following the refurbishment and handover an allowance should be made for:

Furniture
Pictures and signage
Cutlery, plates, cups etc
(Garden furniture already included).

We would envisage a sum for fixtures and fittings of around £25,000. (This excludes the Tenant's own belongings and furniture for the flat.)



Front elevation



Entrance doors



Blocked and leaking downpipe and loose render



Collapsed chimney on flat roof



Flashing pulled away



Rotten side entrance



Toilet ceiling



Damaged panelling in bar area



Collapsed bar floor



Male WC



Water damaged ceiling above bar



Bar server area



Outbuildings and garden area



Bar area



Kitchen

LOCATION	DISREPAIR	REPAIR	COST £
<u>External Envelope</u>			
Front Elevation	Heavy paint build-up to main front elevation in poor condition.	Clean back walls, remove redundant cabling, carry out localised masonry repairs and redecorate.	1,500
	Ground floor windows in poor condition and 2 first floor sliding sash windows in poor condition.	Overhaul windows to bring back into working order, cut out and replace decayed timber and redecorate.	2,400
	Pair of front entrance doors in poor condition, with broken glass and decay to base of doors.	Renew pair of doors, including frame, and decorate.	3,000
	Decay to canopy over front entrance.	Cut out decayed timber to fascias, renew and decorate.	180
	Fascia boards and gutters in poor condition.	Remove gutters, replace decayed fascias, reinstate guttering or renew.	850
	Boarded windows to right hand side ground floor section.	Remove boarding, reinstate windows and decorate.	1,500
	Blocked rainwater hopper to right hand side and peeling decorations to hopper and downpipe.	Clean out, remove paint build-up and redecorate.	120
	Tired stainwork to shiplap boarding to right hand gable end.	Clean off, removing redundant cabling. Prepare and decorate.	150
	Tired decorations to ground floor right hand door and frame.	Ease and adjust door, prepare and redecorate.	180

	Tired and blistered decorations to painted render to right hand ground floor section.	Remove all loose and friable material, stabilise and decorate.	1,250
	Cracked concrete sill to left hand window.	Remove sill and renew.	400
	Boxing concealing pipes to cellar cooling plant decayed.	Renew boxing and decorate.	340
	Moss formation on main pitched roof.	Clean off roof coverings.	150
Left Hand Side Elevation	Tired and decaying sliding sash window to ground floor gable.	Cut out decayed timber, overhaul sash to bring back into working order, and redecorate.	625
	2 decayed windows set into gable end.	Renew, including decorations.	1,050
	Significant decay to casement window in ground floor forward facing section.	Renew casement window to match existing Georgian style and decorate.	1,000
	Tired decorations and decayed sill to pair of front facing Georgian glazed French doors.	Cut out sill, splice repair, prepare and redecorate to leave in good working order.	320
	4 boarded windows to ground floor single storey section of building.	Remove boarding, reinstate windows and decorate.	2,400
	Decay in fascias and soffits to ground floor single storey section.	Cut out decayed timber, replace and redecorate.	800
	Tired and leaking plastic rainwater goods.	Renew gutters and downpipes.	250
	Mismatching decorations to single storey brick building and stone gable end where graffiti covered.	Seal graffiti staining and redecorate into uniform colour.	1,500

	Loose television aerial to gable end.	Remove, including cabling.	80
Right Hand Side Elevation	Tired decorations to 4 ground floor crittall windows.	Remove heavy paint build-up, including 2 tiled sills. Ease and adjust, prepare and redecorate.	875
	Decay in 2 second floor windows set into gable end.	Overhaul and redecorate.	300
	Damaged and decayed pair of Georgian glazed French doors.	Renew doors, including borrowed light above.	2,500
	Peeling decorations and broken glass to blacked out Georgian wired crittall window.	Remove broken glass and replace. Ease and adjust frame and decorate.	500
	Decay in fascia board to single storey section of buildings.	Remove all redundant cabling and irrigation system, remove decayed fascias and renew and decorate.	650
	Peeling decorations and damaged plastic rainwater goods.	Remove and renew gutters and downpipes.	450
	Damaged pitched roof where chimney collapsed.	Remove broken tiles and reinstate, including upstand to flat roof.	600
	Single storey chimney collapsed.	Reinstate chimney, including lining pot and flashings at abutment with roof coverings.	1,500
	Loose and damaged render at ground floor section with peeling paintwork.	Remove damaged render and patch repair, stabilise and redecorate previously painted rendered surfaces.	800
	Failed Coxdome rooflight.	Renew to right hand flat roof.	250

	Flat roof coverings likely damaged where chimney collapsed.	Allow for repairs to flat roof coverings once rubble cleared.	750
Rear Elevation	Flat roof abutment with rear elevations failing where lead flashing removed.	Reinstate upstands and cover flashing.	600
	Heavy build-up of waste and broken tiles to valley between right hand clay pitched roof and gable end.	Clean out valley, reinstate tiles and overhaul leadwork.	220
	Peeling decorations to previously painted render at first floor level with cracked and loose sections of render.	Remove loose render, patch repair, remove all loose and friable material, stabilise and redecorate render surfaces.	1,250
	Small number of slipped tiles to rear main roof slope.	Reinstate slipped concrete plain tiles.	275
	Redundant gas flue terminal extending through roof.	Remove and make good roof coverings.	200
	Significant decay to 2 first floor sliding sash windows.	Cut out decayed sills and bottom rails, splice repair, prepare and redecorate.	1,250
	Decay in fascia boards behind cast iron gutters.	Remove gutters, replace fascia boards and decorate. Reinstate gutters, clean out and decorate, resealing joints.	950
	Vegetation growing over far rear parapet walls.	Cut back and remove all arisings.	220
	Several loose and damaged coping stones to far rear flat roof.	Lift, clean off and re-bed loose and replace approximately 3 lengths of concrete coping.	600

	Significant decay in tongue and groove V jointed partition with flush door.	Remove decayed timber and replace, including door and frame and decorate.	1,500
	Decayed fascia boards to perimeter of ground floor rear flat roofs.	Remove all fascias and replace, including decorations, re-forming downstand to flat roofs.	3,500
	Peeling decorations, misalignment and leaking plastic rainwater goods to all flat roof areas.	Renew all plastic rainwater goods.	1,200
	Structural crack through partition wall to rear garage section.	Allow for trial hole and possible underpinning or reconstruction of rear garage.	15,000
	Tired decorations to previously painted render.	Clean down, stabilise and redecorate all rendered surfaces throughout the ground floor areas.	4,000
<u>External Areas</u>			
Right Hand Side Patio/ Beer Garden	Area heavily overgrown with vegetation, with misaligned slabs forming trip hazard.	Lift and re-landscape gardens to provide outside seating area and improve enclosure to front pavement area.	35,000
	Redundant outbuildings in poor state of repair to rear right hand side.	Demolish, remove all arisings and re-fence rear yard area.	7,500
	Vegetation and moss growing on surfaces to rear yard area.	Clear out all vegetation and moss and clean down surfaces.	200
	Fence to far right hand side failed.	Re-fence area.	500

	Fences to rear elevation heavily overgrown.	Cut back, remove all arisings and make provisional allowance for repairs or reinstating fences.	800
Front Left Hand Entrance Area	Tired decorations to gates and railings.	Clean down, removing loose paintwork, stabilise and decorate.	240
	Buddleia and vegetation growing out of surfaces.	Remove all vegetation, clean out joints and overhaul paving and step to entrance.	240
	Cracked and loose render to left hand side boundary wall.	Remove loose render and replace. Stabilise and decorate.	950
	Moss and vegetation growing out of stone wall to front elevation.	Clean back, removing vegetation, and carry out localised repointing.	220
	Peeling decorations to painted stone boundary wall.	Clean off, removing loose and friable material, stabilise and redecorate.	650
<u>Outbuildings</u>			
Detached Store to Rear Right Hand Side	Broken sheets and edging to asbestos cement roof.	Remove roof covering and replace.	1,500
	Decayed entrance door and frame.	Renew entrance door and frame and decorate.	750
	Waste stored within.	Remove all waste to tip and clean out inside surfaces.	450
<u>Internal Areas- Ground Floor</u>			

Front Right Hand Entrance Porch	Badly water damaged walls and ceilings.	Strip back water damaged plaster to surfaces, including ceiling. Realign ceiling and replaster walls.	850
	Barrier matting to floor heavily worn.	Renew.	300
	Tired decorations to window and front entrance door.	Clean off, prepare, ease and adjust and redecorate, renewing ironmongery to door.	375
	Discolouration to quarry tile skirtings.	Clean.	80
	-	Redecorate walls and ceilings.	260
	Internal door through to bar area missing.	Reinstate door, repair frame and decorate all surfaces.	600
Right Hand Side Entrance Lobby	Loose and water damaged lining paper to walls and ceiling.	Strip all lining paper from surfaces, prepare and redecorate throughout.	450
	Damaged internal entrance door with broken glass.	Renew glass to Georgian glazed door, renew latch lock and handle set and decorate all faces.	450
	Tired decorations to flush outer entrance door and latch lock broken.	Renew latch lock to door and ease and adjust. Prepare and redecorate, including frame.	275
Right Hand Female Toilets	Ceilings affected by water penetration from roof above.	Replace ceilings and redecorate.	1,200
	Tiles coming away from wall surfaces. Fittings all in poor condition. Cubicle doors in poor condition.	Strip out and fully refurbish, including new sanitaryware, wall tiling, cubicles, decoration, and counter.	10,000

Right Hand Main Bar Area	Water damaged lining and plasterwork to right hand side partition.	Remove lining paper and repair plasterwork ready for decoration.	1,200
	Water damage to plasterwork to pier to right hand rear side of bar serverly area.	Remove lining paper and damaged plaster, patch repair and leave ready for decoration.	1,200
	Significant decay to timber panelling to front external wall.	Remove all timber panelling, including skirting and grounds, treat walls against fungal decay, reinstate panelling and skirting and leave ready for decoration.	1,500
	Tired and binding sash windows to front elevation.	Ease and adjust 3 sliding sash windows, overhaul and redecorate.	900
	Water damaged decorations and lining paper to front left hand corner.	Remove loose and damaged lining paper, patch repair plasterwork behind and leave ready for decoration.	1,200
	Temporary studwork partition formed to rear side.	Remove, including all arisings, and make good surfaces ready for decoration.	800
	Tired decorations to walls and ceilings throughout.	Stabilise, prepare and redecorate, including timberwork to ceiling level.	4,000
Right Hand Side Male Toilets	Toilets in poor condition with water damage to ceiling. Loose and blown wall tiling and tiles previously painted over. Traps and seals to sanitaryware likely to have dried out. Badly water stained quarry tiled floor. Decay in cubicle doors and frames. Corroding radiators.	Strip out and refurbish toilets, adding mechanical ventilation, improving heating and re-tiling. Replace floor coverings, renew sanitaryware and decorate ceilings and windows.	12,000

Rear Right Hand Bar Area	Currently partitioned off. Garish paintwork to wall surfaces with marks and stains.	Clean down, prepare and redecorate walls, ceilings and joinery throughout.	4,000
	Damaged tiling to fireplace surround to rear.	Remove and replace damaged tiles and reinstate fireplace.	900
Front Central Entrance Lobby	Uneven flooring.	Lift barrier matting, overhaul and repair timber floor beneath and replace barrier mat.	600
	Tired decorations to timber panelling to walls and embossed lining paper to ceiling.	Clean and prepare and redecorate throughout.	600
	Tired decorations to skirtings.	Prepare and redecorate skirtings.	120
	Left and right hand doors missing.	Reinstate fire doors, including ironmongery and closers. Decorate both faces, including frames.	1,500
Left Hand Main Bar Seating Area	2 damaged windows to front elevation.	Overhaul windows, replacing broken glass. Adjust and redecorate internally.	600
	Peeling lining paper to left hand side wall.	Strip loose lining paper and prepare for decoration.	600
	Badly water damaged ceiling.	Cut out section of loose lath and plaster, patch repair and re-skim. (Treat timbers before enclosure.)	2,500
	Damaged built-in seating to front left hand side.	Overhaul seats and cushions, renewing covers where damaged.	1,500
	Tired decorations to left hand side window.	Prepare and redecorate internally.	260

	Damaged tiled hearth to open fireplace to left hand side.	Renew tiles, clean out fireplace, sweep flue and leave in working order.	475
	Failed section of timber floor centrally.	Remove carpets and cut out decayed timber. Treat against fungal decay and reinstate failed joists and floorboarding before recarpeting.	2,000
	Water damage to lifting laminate to rear section of flooring.	Lift, discard and leave ready for new floor coverings.	400
	Damaged and repaired wall and ceiling surfaces.	Prepare and redecorate walls, ceilings and joinery throughout.	7,500
Raised Left Hand Side Area	Incomplete plasterboard partition to inner front entrance.	Strip out plasterboard and doors forming temporary draught lobby and leave walls ready for decoration.	400
	DJ booth formed to left hand side.	Strip out.	220
	Tired decorations to walls and ceilings, including all joinery throughout left hand area.	Prepare and redecorate walls and ceilings throughout, carrying out localised repairs to plasterwork where damaged.	4,500
Rear Left Hand Lobby leading through to Toilets	Laminate flooring lifting.	Lift and discard ready for new floor coverings.	80
	Substantial crack through rear partition wall due to excessive thermal movement.	Cut out crack, stitch repair blockwork and make good plasterwork.	750

	Tired decorations to walls and ceilings throughout.	Prepare, re-setting loose lining paper to ceiling, seal stains and redecorate walls and ceilings.	800
	Tired decorations to skirtings and architraves.	Remove loose material, stabilise and decorate.	200
Left Hand Female Toilets	Wash hand basins removed from wall.	Reinstate vanity counter and wash hand basins, connecting to services.	900
	Damaged cubicle entrance doors.	Replace cubicle entrance door and leave ready for decoration.	300
	Badly binding outer entrance door.	Ease and adjust outer entrance door.	75
	Tired decorations to walls throughout.	Clean down surfaces, seal stains and redecorate walls throughout.	1,200
	Tired decorations to ceilings.	Prepare and redecorate ceilings.	260
	Tired decorations to all joinery.	Prepare and decorate all joinery, doors, frames, skirtings and architraves.	450
	Incomplete installation to floor.	Prepare floor for new covering.	250
	No level floor finish.	Re-cover floor with non-slip vinyl.	750

Rear Left Hand Male Toilets	Area in state of dilapidation, with tiles falling off wall. Water damaged floor, cubicles, partitioning and joinery. Water damage to ceilings.	Strip out and completely refurbish, reinstating toilet cubicle, urinals and wash hand basin. Provide sealed cover to internal drainage chamber. Renew entrance door. Provide mechanical ventilation and upgraded heating.	11,000
Rear Lobby leading through to Kitchens	Decayed and failed panel to outer entrance door, including frame and architrave.	Reinstate internal wall lining to right hand side.	550
	Tired decorations to walls and ceilings.	Prepare and decorate walls and ceilings throughout.	650
Main Kitchen Area	Kitchen area partly stripped out, suffered with water penetration leaks.	Replace broken glass in window to rear elevation. Repair water damaged plasterwork. Strip out loose and blown vinyl flooring. Prepare all surfaces and refurbish throughout, ready for kitchen installation.	7,000
<u>Basement</u>			
Cellar	Cellar currently flooded.	Pump dry, renew sump and pump, clean and redecorate. Ease and adjust cellar flaps.	4,500
<u>General</u>			
Fitting Out to Ground Floor Public Area	-	Lift and renew carpets and floor finishes throughout ground floor.	20,000

	-	Strip out water damaged bar servery counters and bulkhead, renew bar servery area and refinish surfaces.	12,000
	-	Renew floor covering behind bar.	1,200
	-	Install new fire detection and alarm system throughout.	9,000
	-	Update electrical installation, replacing fittings throughout.	20,000
	-	Install new intruder alarm system.	3,500
	-	Clean out, de-sludge and service heating system. Replace corroded radiators and leave in working order.	6,000
	-	Re-fit commercial kitchen, including extract ventilation, cookers, hobs, microwaves, wash-down sinks, hand rinse basin, splashbacks, dishwasher and glass washer.	40,000
	-	Renew vinyl floor covering in kitchen.	1,800

Basement Cellar	-	Fit out basement cellar, with surfaces all cleaned down, and redecorate. Renew sump and pump and beer distribution system, including all pythons connecting to pumps at bar servery. Renew chiller unit and compressor. Ease and adjust and overhaul external cellar flaps. Leave all areas in good working order and ready to receive barrel deliveries.	12,000
Bottle Store	-	Provide shelving and racking for storage.	1,200
Food Store adjacent to Kitchen	-	Line out and provide storage, racking and shelving for foodstuffs.	2,000
<u>First Floor Flat</u>			
Flat Entrance	Internal entrance door from back of bar area damaged.	Overhaul door, replace ironmongery and decorate.	300
	Tired decorations to walls and ceilings through staircase area.	Prepare and decorate.	450
External Stair and Walkway	Corrosion forming to railings and stairs.	Clean, treat with rust inhibitor and redecorate throughout.	1,500
	External waste and drainage pipes in poor condition and not discharging into gully.	Overhaul waste arrangement formed into gullies or soil pipe.	450
	Rear external entrance door in poor condition.	Renew 2XG external door and sill, including ironmongery and decorate.	900

	External escape areas should have emergency lighting fitted.	Reinstate emergency lighting.	750
<u>First Floor – Tenant's Accommodation</u>			
Kitchen	Kitchen in poor state of repair.	Overhaul and refurbish kitchen units. Replace built-in oven and hob. Renew flooring. Redecorate throughout.	7,500
Bathroom	Tired decorations, wall tiling, flooring and sanitaryware.	Refurbish.	8,000
Living Room	Tired decorations.	Prepare and redecorate surfaces throughout, including joinery.	1,700
Bedroom	Tired decorations.	Prepare and redecorate walls, ceilings and all joinery.	1,700
Staircase to Second Floor	Tired decorations to handrails, strings and newel post.	Redecorate all joinery.	500
	Tired decorations to walls and ceilings throughout.	Prepare and redecorate.	450
<u>Second Floor – Tenant's Accommodation</u>			
Bedrooms	Tired decorations to both bedrooms.	Prepare and redecorate all surfaces, walls and joinery, including windows and entrance doors, frames and architraves.	2,400

	Carpets, tired and stained to Tenant's accommodation throughout.	Prepare floor and renew carpets throughout.	6,000
		Total Cost of Repairs	366,315



Appendix SP3



-  Hotels
-  Restaurants
-  Pubs
-  Leisure
-  Investments

Fleurets 
Leisure Property Specialists

For details of properties for sale or to let nationwide visit fleurets.com

Crown & Thistle

132 Old Road, Headington,
Oxfordshire OX3 8SX

Freehold Offers Invited

Potential development opportunity (STPP)
Total site circa 0.36 acre
2 bars, Beer garden, large car park
3 bed private accommodation

BEST & FINAL OFFERS DUE BY 20/9/12

SOLE SELLING RIGHTS
REF: W-92978

VIEWING

Strictly by appointment with the Fleurets West & South Wales Office. An initial discreet viewing as a customer is highly recommended.

LOCATION

Headington is to the west of Oxford town centre and is within the ring road (A40/A4142). The Crown & Thistle is positioned in the primarily residential area of Headington, close to Oxfordshire's Orthopaedic Hospital and immediately adjacent to a school.

DESCRIPTION

Detached building constructed on ground and first floors with painted elevations under a pitched tile roof, with single storey pitched and flat roof extensions, to one side is an enclosed beer garden with 2 Aunt Sally pitches and adjacent to the beer terrace is a car park for circa 25-30 cars.

It is envisaged the site could have development potential (subject to obtaining the necessary consents).

TRADE

The premises have previously been run under tenancy and therefore no accounts are available.

TITLE PLAN



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ACCOMMODATION

Ground Floor

Central entrance provides access to 2 bars, 1 with curved bar servery and circa 6 tables, the other is predominantly a sporting bar with large screen, pool table and high table, this bar links directly to the beer garden.

TOILETS:

2 sets of ladies & gents toilets (1 set not in use)

KITCHEN – well equipped with 6 burner oven, extractor, grill, stainless steel units, 2 sinks. Freezer/fridge room.

First Floor

Office, sitting area, kitchen, bathroom with bath, WC & wash hand basin.

Second Floor

2 bedrooms

Basement

Temperature controlled BEER STORE

External

BEER GARDEN – paved, partially covered areas, external seating and 2 Aunt Sally pitches.

GARAGE

CAR PARK – tarmac, providing space for circa 25 cars.

TENURE

Freehold

FIXTURES & FITTINGS

The Fixtures & Fittings that remain on the premises at the time of completion will be included in the sale. Any third party owned items, such as beer raising and cellar cooling equipment, branded items, gaming machines etc will be excluded. An inventory will not be provided. The vendors will not be required to remove any such items that remain on the premises.

LICENCE

A premises licence prevails, the main licensable activities being:

Sale by retail of alcohol for consumption on and off the premises:

Sunday – Thursday 10.00 – 00.00

Friday – Saturday 10.00 – 00.30

Live music, dancing: (indoors only)

Thursday 19.00 – 23.00

Friday – Saturday 19.00 – 00.00

Recorded music: (indoors only)

Saturday 19.00 – 00.00

Late Night Refreshment: (indoors only)

Wednesday – Thursday 23.00 – 00.00

Friday – Saturday 23.00 – 00.30

BUSINESS RATES & COUNCIL TAX

The property is in an area administered by Oxford City Council and we are advised that the current Rateable value is £16,750. The domestic accommodation is within Band D for Council Tax purposes.

SERVICES

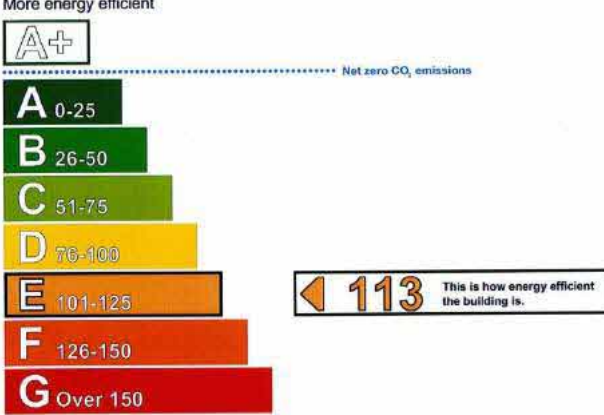


We are advised all mains services are connected. Gas fired central heating.

PLANNING & DEVELOPMENT

The premises are not listed or within a conservation area.

VAT

All prices quoted and offers made shall be deemed to be exclusive of VAT and VAT will be added where applicable. In most cases VAT is reclaimable. Prospective purchasers should consult their accountant for professional advice in this respect.

Energy Performance Certificate		HM Government
Non-Domestic Building		
Crown & Thistle 132 Old Road Headington OXFORD OX3 8SX	Certificate Reference Number: 9000-4074-0341-3630-6060	
This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd .		
Energy Performance Asset Rating		
More energy efficient		
		
Less energy efficient		
Technical information		Benchmarks
Main heating fuel:	Natural Gas	Buildings similar to this one could have ratings as follows:
Building environment:	Heating and Natural Ventilation	 39 If newly built
Total useful floor area (m ²):	359	 65 If typical of the existing stock
Building complexity (NOS level):	3	

BEST & FINAL OFFERS

Our client has requested that Best & Final Offers are received by 12noon on Thursday 20th September 2012. For further information, please contact Chris Irving or Helen Southwood in the Fleurets West & South Wales office on 0117 923 8090.

For further information please contact: Chris Irving at our Bristol office on 0117 923 8090 or email bristol@fleurets.com

Fleurets Limited for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Fleurets Limited has any authority to make or give any representation or warranty whatever in relation to this property.

FINANCE & INSURANCE

If you would like to take advantage of the knowledge and experience of a selection of firms who specialise in providing finance and insurance for licensed properties contact your local Fleurets office. A phone call may help to provide you with terms and/or cover, which best fits your requirements.

VALUATIONS & RENT REVIEWS

Fleurets has the largest team of Chartered Surveyors to specialise nationally and exclusively in the Capital and Rental Valuation of Licensed property. For professional Valuations, Rent Reviews, Consultancy, Expert Advice, Rating and Planning advice please contact your local Fleurets office.

NOTE

If appropriate our client will consider inserting an 'uplift clause' into the contract to reflect the future development potential.



Appendix SP4



Fleurets[®]
Leisure Property Specialists

-  Hotels
-  Restaurants
-  Pubs
-  Leisure
-  Investments

For details of HUNDREDS of properties FOR SALE or TO LET Nationwide visit [fleurets.com](https://www.fleurets.com)

Crown & Thistle

132 Old Road, Headington
Oxfordshire OX3 8SX

To Let Offers Invited

Free of tie
2 bars
Beer terrace, car park
3 bed private accommodation

SOLE SELLING RIGHTS
REF: W-93428

VIEWING

Please note the premises are currently closed. Viewing is strictly by appointment with the Fleurets West & South Wales Office.

LOCATION

Headington is to the west of Oxford town centre and is within the ring road (A40/A4142). The Crown & Thistle is positioned in the primarily residential area of Headington, close to Oxfordshire's Orthopaedic Hospital and immediately adjacent to a school.

DESCRIPTION

Detached building constructed on ground and first floors with painted elevations under a pitched tile roof, with single storey pitched and flat roof extensions, to one side is an enclosed beer garden and adjacent to the beer terrace is a car park for circa 10 cars.

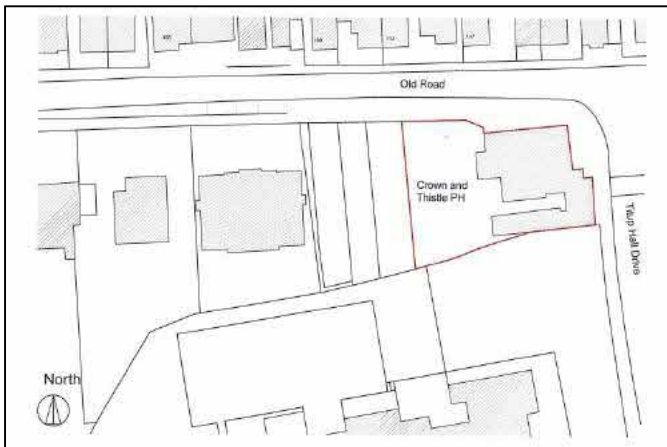
Internally there are 2 bars and a kitchen which require updating.

LOCATION PLAN



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SITE PLAN



TRADE

The premises have previously been run under tenancy and therefore no accounts are available.

ACCOMMODATION

Ground Floor

Central entrance provides access to 2 bars, 1 with curved bar servery and split level trading, the second provides further bar servery and access to beer terrace.

TOILETS:

2 sets of ladies & gents toilets.

KITCHEN – requiring upgrading. Freezer/fridge room.

First Floor

Office, sitting area, kitchen, bathroom with bath, WC & wash hand basin.

Second Floor

2 bedrooms

Basement

Temperature controlled BEER STORE

External

BEER GARDEN – paved and accessible directly from the trading areas.

GARAGE

CAR PARK – tarmac, providing space for circa 10 cars.

TENURE

A new lease is available on terms to be negotiated. Guide rent £22,500 per annum.

LICENCE

The previous premises licence has been surrendered, a new premises licence will need to be obtained.

BUSINESS RATES & COUNCIL TAX

The property is in an area administered by Oxford City Council and we are advised that the current Rateable value is £16,750.

The domestic accommodation is within Band D for Council Tax purposes.

The rates will need to be reassessed as part of the car park is now excluded.

SERVICES

We are advised all mains services are connected. Gas fired central heating.

PLANNING & DEVELOPMENT

The premises are not listed or within a conservation area.

VAT

All prices quoted and offers made shall be deemed to be exclusive of VAT and VAT will be added where applicable. In most cases VAT is reclaimable. Prospective purchasers should consult their accountant for professional advice in this respect.

FINANCE & INSURANCE

If you would like to take advantage of the knowledge and experience of a selection of firms who specialise in providing finance and insurance for licensed properties contact your local Fleurets office. A phone call may help to provide you with terms and/or cover, which best fits your requirements

Reflections House, 26 Oakfield Road, Clifton, Bristol BS8 2AT
T 0117 923 8090 F 0117 923 8470
E bristol@fleurets.com
fleurets.com - Our Reference: W-93428

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VALUATIONS & RENT REVIEWS

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ON MARKET / HOTELS REVIEW

Topical articles and advice about market issues along with advert style details of the HUNDREDS of properties we have for sale and to let are contained in our on line brochures ON MARKET and HOTELS REVIEW. Call your local office or visit www.fleurets.com/on-market for details.

EPC

Energy Performance Certificate		HM Government
Non-Domestic Building		
Crown & Thistle 132 Old Road Headington OXFORD OX3 8SX	Certificate Reference Number: 9000-4074-0341-3630-6060	
This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd .		
Energy Performance Asset Rating		
More energy efficient		
A+		
..... Not zero CO ₂ emissions		
A 0-25		
B 26-50		
C 51-75		
D 76-100		
E 101-125		
F 126-150		
G Over 150		
Less energy efficient		
Technical information		Benchmarks
Main heating fuel:	Natural Gas	Buildings similar to this one could have ratings as follows:
Building environment:	Heating and Natural Ventilation	39 If newly built
Total useful floor area (m ²):	359	65 If typical of the existing stock
Building complexity (NOS level):	3	

FURTHER INFORMATION

For further information please contact: Chris Irving at our Bristol office on 0117 923 8090 or email bristol@fleurets.com

DISCLAIMER

Fleurets Limited for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Fleurets Limited has any authority to make or give any representation or warranty whatever in relation to this property.

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T 0117 923 8090 F 0117 923 8470
E bristol@fleurets.com
fleurets.com - Our Reference: W-93428

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Appendix SP5

(please read guidance note 2)

THE PREMISES WAS SUBJECT TO INFORMAL ACTION IN JUNE 2009, WHEN FOLLOWING A SPATE OF ANTI-SOCIAL BEHAVIOUR AND NOISE NUISANCE INCIDENTS THE LICENSING AUTHORITY AND GREENE KING RETAILING LTD MET TO DISCUSS THE ISSUES, AND AN ACTION PLAN WAS AGREED TO TACKLE THESE PROBLEMS. THE PLAN INCLUDED A MINOR REDUCTION IN HOURS, PROPOSALS TO INSTALL CCTV, BANNING OF TROUBLESOME CLIENTEL, INCREASED MONITORING OF EXTERNAL AREAS.

THE PROBLEMS SEEMED TO HAVE REDUCED TO AN ACCEPTABLE LEVEL UNTIL MARCH 2010 WHEN FURTHER INCIDENTS OF ANTI-SOCIAL BEHAVIOUR OCCURRED WHICH WERE DEALT WITH BY THE LICENSING AUTHORITY AND THAMES VALLEY POLICE. IT HAD BEEN THOUGHT THAT A PROPOSED CHANGE OF DESIGNATED PREMISIES SUPERVISOR WOULD ALLEVIATE ANY FURTHER CONCERNS RAISED.

SINCE THE NEW DESIGNATED PREMISES SUPERVISOR (STEPHEN NICHOLS) WAS INSTALLED AT THE PREMISES AT THE END OF MARCH 2010, THERE HAVE BEEN NUMEROUS INCIDENTS OF VIOLENCE, ANTI-SOCIAL BEHAVIOUR, NOISE NUISANCES, BREACHES OF THE PREMISES LICENCE CONDITIONS.

FOLLOWING SEVERAL COMMUNICATIONS BETWEEN THE LICENSING AUTHORITY AND GREENE KING RETAILING LIMITED REGARDING THESE ISSUES, NO IMPROVEMENT WAS MADE BY THE DPS.

ON 14TH MAY 2010 A MANAGEMENT PLAN AGREED BY THE LICENSEE WITH THE LICENSING AUTHORITY AND ENVIRONMENTAL HEALTH CAME IN TO EFFECT IN ORDER TO BEST TACKLE THE ISSUES BEING EXPERIENCED BY LOCAL PERSONS.

DESPITE THIS MANAGEMENT PLAN BEING DESIGNED TO HELP THE DPS AND LICENSEE TO ADDRESS THE ISSUES, THE SITUATION HAS WORSENERED, AND IT IS RARE FOR A WEEKEND TO PASS BY WITHOUT LOCAL RESIDENTS WITNESSING VIOLENCE, ANTI-SOCIAL BEHAVIOUR, NOISE NUISANCE.

IN ORDER TO ESTABLISH THE LEVEL OF CONCERN FELT BY RESIDENTS, THE LOCAL COUNCILLORS (INCLUDING MYSELF) AND THE LOCAL POLICE VISITED 17 HOUSEHOLDS, OF WHICH 9 HAD EITHER CONTACTED THE POLICE OR THE ENVIRONMENTAL HEALTH DEPT. THESE RESIDENTS FELT COMPELLED TO CONTACT THESE EMERGENCY AND NON-EMERGENCY SERVICES DUE TO WITNESSING:

FIGHTING
GLASS THROWING
LOUD OFFENSIVE AND ABUSIVE LANGAUAGE
URINATING IN THE STREET

THE LACK OF EFFECTIVE MANAGEMENT AT THE PREMISES HAS ALSO LED TO GENUINE CONCERNS ABOUT DRUG DEALING / TAKING IN THE EXTERNAL AREAS.

AT A MEETING WITH THE DPS TO FURTHER ADDRESS THESE CONCERNS, IT WAS FOUND THAT HE DID NOT KNOW HOW TO WORK THE CCTV AT THE PREMISES. THIS HIGHLIGHTS THE INEFFICIENT MANAGEMENT AND

COUPLED WITH YET MORE INCIDENTS OF ANTISOCIAL BEHAVIOUR AND NOISE, LEAVES ME WITH NO OPTION BUT TO APPLY FOR A REVIEW OF THE PREMISES LICENCE.

IT IS EVIDENT THAT THIS DPS IS NOT ABLE TO CONTROL HIS CUSTOMERS, NOR IS THE PREMISES ADEQUATELY STAFFED TO SUPERVISE AREAS OUTSIDE OF THE INTERNAL SERVING AREA.

I WOULD RECOMMEND TO THE COMMITTEE THAT THEY CONSIDER THE FOLLOWING:

1. TEMPORARY CLOSURE OF THE PREMISES WHILST CCTV AND OTHER INTERNAL MATTERS ARE BROUGHT UP TO AN ACCEPTABLE STANDARD
2. CONDITIONS REGARDING DOORSTAFF BE IMPOSED
3. CONDITIONS REGARDING NOISE LEVEL OF ENTERTAINMENTS BE IMPOSED
4. CONDITIONS REGARDING NOISE LEVELS OF CUSTOMERS BE IMPOSED
5. CONDITIONS REGARDING USE / MONITORING OF EXTERNAL AREAS BE IMPOSED
6. CONDITIONS REGARDING COMMUNITY MEETINGS BE IMPOSED
7. POSSIBLE REDUCTION IN HOURS
8. ADHERENCE TO MANAGEMENT PLAN THAT CAME IN TO FORCE ON 14/05/2010
9. REMOVAL OF DPS
10. ANY OTHER CONDITIONS THE COMMITTEE DEEM APPROPRIATE IN ORDER FOR THE PREMISES TO BE WELL MANAGED AND BE A GOOD NEIGHBOUR TO THOSE LIVING NEARBY.



Appendix SP6

Ref JRBT/st
1st June 2021

Suite 281, 266 Banbury Road, Summertown,
Oxford, OX2 7DL

01865 595143
info@jrbtcommercialproperty.co.uk

Mr Simran Gill
3 Cotswold Crescent
Marston
Oxford
OX3 0SG

Dear Mr Gill

Ref Crown and Thistle 132 Old Road Oxford OX3 8SX

I can confirm that you instructed JRBT to market the above property on a 'To Let' basis in January 2019.

We produced the attached particulars for the property, uploaded them to the JRBT website and the following Property Letting Portals:

Propertylink
Radius
EACH
Shopproperty

We arranged for a 3' x 4' V Board to be attached to the property to attract local interest.

The nature of the property attracted local attention rather than interest from any agents on behalf of a national client. We had limited response and any enquiries were primarily asking if the owners would sell. We had no interest in it on a 'To Let' basis under its current use Class.

After 18 months marketing with no success we were instructed to remove it from the market in June 2020.

In our opinion demand for Public House premises was already limited, however, following the Covid-19 lockdowns, public house closures have accelerated and demand for reopening former sites is at rock bottom levels.

Yours sincerely



Jonathan Thomas BSc MRICS IRRV
Director



www.jrbtcommercialproperty.co.uk

Chartered Surveyors
JRBT Limited is Registered in England at 2 Hamilton
Terrace, Leamington Spa, Warwickshire CV32 4LY.
Company Registered Number: 8898841.

132 Old Road, Headington

Location

The property is situated on the corner of Old Road and Titup Hall Drive a short walk from the Nuffield Orthopedic Center in a mainly residential area.

The nearby London Road has bus routes leading to the John Radcliffe Hospital and Oxford City centre as well as bus routes to London.

Rent

Offers in the region of £25,000 per annum exclusive.



132 Old Road, Headington,
OX3 8SX

A4 Premises 'To Let'

Contact:
Jordan Thomas
01865 595143

jordan@jrbtcommercialproperty.co.uk

01865 595143



10 Suffolk House, Banbury Road, Summertown,
Oxford, OX2 7HN

Info@jrbtcommercialproperty.co.uk

132 Old Road, Headington



01865 595143



10 Suffolk House, Banbury Road, Summertown,
Oxford, OX2 7HN

Info@jrbtcommercialproperty.co.uk

132 Old Road, Headington

Description

The property is arranged over basement, ground, first and second floors with an outside seating area.

Accommodation

The property affords the following approximate floor areas:

Ground Flr.	253.04 sqm.	2724 sqft
Fisrt Flr.	50.64 sqm.	545 sqft
Second Flr.	25.10 sqm.	269 sqft
Basement.	22.98 sqm.	247 sqft
Total.	351.67 sqm	3785 sqft

Legal Costs

Each party to bear their own legal costs.

Planning

The property has the benefit of an A4 (Drinking Establishment) use

Rating

We are awaiting the confirmation of the rateable value for the proeprty

Services

We understand the property is connected to mains electricity, water and drainage. However, no services have been tested by the agents.

Tenure

A new Full Repairing and Insuring lease is available for a term to be agreed, subject to upward only 5 yearly rent reviews.

EPC

An Energy Performance Certificate for the premises is available on request

Viewing

Viewing is strictly by appointment via sole agent,

JRBT Commercial Property Ltd

Jordan Thomas

01865 595143

Jordan@jrbtcommercialproperty.co.uk

Jonathan Thomas

01865 595143

Jonathan@jrbtcommercialproperty.co.uk

SUBJECT TO CONTRACT

NOVEMBER 2019

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01865 595143



10 Suffolk House, Banbury Road, Summertown,
Oxford, OX2 7HN

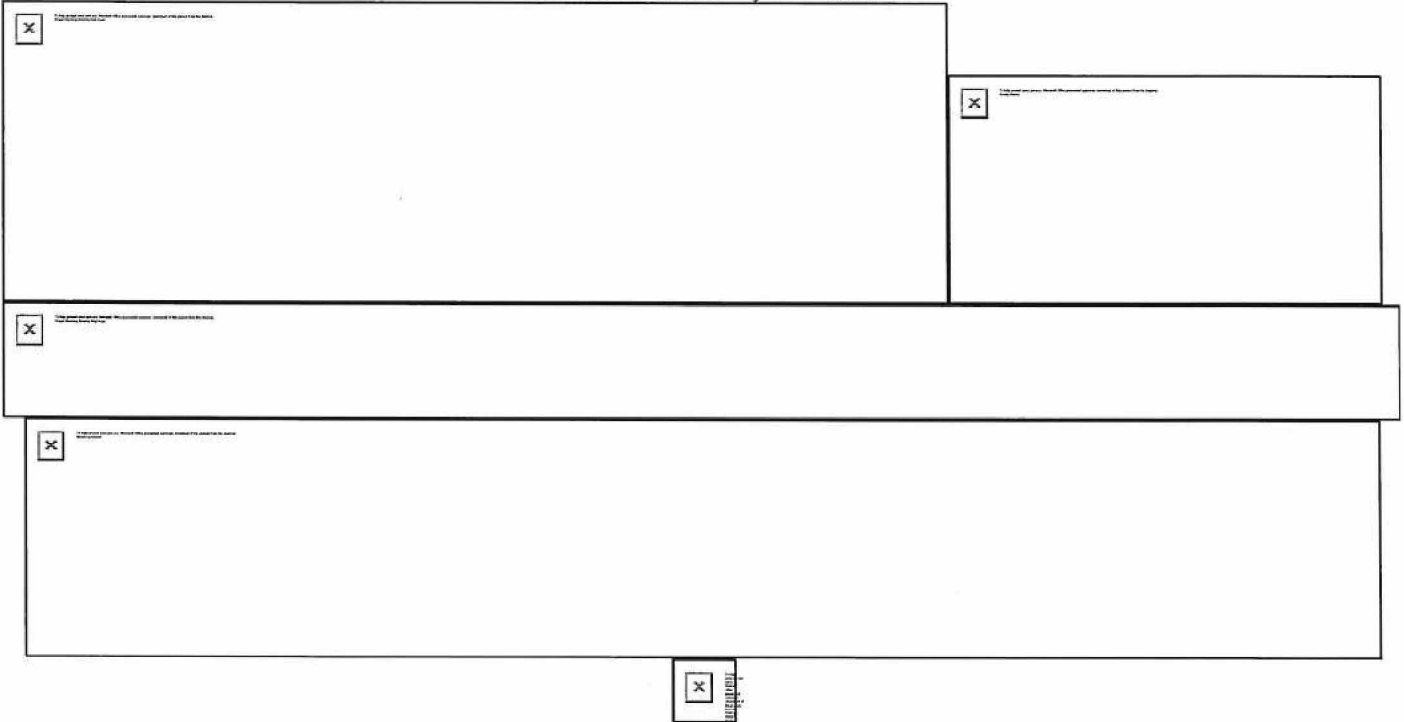
Info@jrbtcommercialproperty.co.uk



Appendix SP7

From: Propel Newsletter [REDACTED]
Sent: 29 October 2023 09:58
To: Stuart.Parsons
Subject: [External] Britain's licensed premises numbers drop below 100,000 for first time in 20 years

[View this newsletter in your browser](#)



Sun 29th Oct 2023 - Britain's licensed premises numbers drop below 100,000 for first time in 20 years

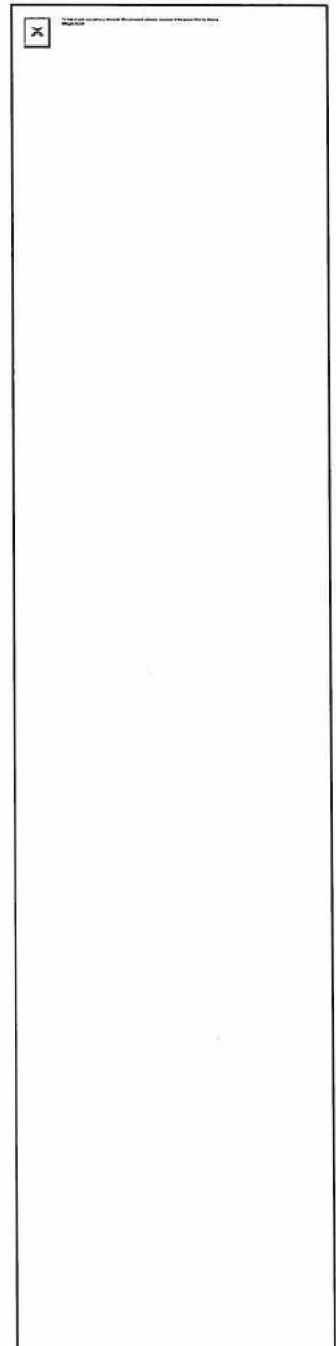
Britain's licensed premises numbers drop below 100,000 for first time in 20 years: Britain's licensed premises numbers has dropped below 100,000 for the first time in 20 years. More than 44,000 net outlets have been lost since 2003, equivalent to just over six closures every day for the last two decades, according to new figures from UKHospitality in partnership with CGA by NIQ. Industry bosses said the figures highlight the seismic changes in hospitality and the sustained periods of pressure the industry has been under, more recently exacerbated by soaring inflation, rising energy bills and workforce challenges. UKHospitality is calling for urgent government support in the autumn statement, in the form of extending business rates relief and freezing the current multiplier. The insights show that at the end of September 2023, the total number of licensed premises in

needed to ensure businesses can survive and help drive our economic recovery.”

Premium subscribers to receive new edition of The New Openings Database on Friday featuring 107 site openings:

Premium subscribers will receive The New Openings Database on Friday (3 November), at midday. The database will show the details of 107 site openings, including which company has opened a site or its plans to open one in the future. It will have details on what type of site it is and its location, and there will also be a website link to the businesses. The database is published on a monthly basis and Premium subscribers will also receive a 7,600-word report on the new additions to the database. Premium subscribers also receive access to five other databases: the **Propel Multi-Site Database**, produced in association with Virgate; the **Propel Turnover & Profits Blue Book**; the **UK Food and Beverage Franchisor Database**; the **Who’s Who of UK Food and Beverage**; and the **UK Food and Beverage Franchisee Database**. Companies can now have an unlimited number of people receive access to Propel Premium for a year for £995 plus VAT – whether they are an operator or a supplier. The single subscription rate is £495 plus VAT for operators and £595 plus VAT for suppliers. **Email kai.kirkman@propelinfo.com to upgrade your subscription.**

Premium subscribers are also being given exclusive access to the recording and slides to Propel Multi-Club Conferences. They also receive their morning newsletter 11 hours early, at 7pm the evening before; regular video content and regular exclusive columns from Propel group editor Mark Wingett.





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There were 99,916 licensed venues at the end of September, the lowest number since records began

JAMES MANNING/PA

As the cost of a pint soars, Britain's pubs are closing at rate of 6 a day

[Oliver Gill](#)

Saturday October 28 2023, 6.00pm, The Sunday Times

Share    

For the first time since records began, Britain has fewer than 100,000 venues serving alcohol as drinkers shun pubs and clubs due to the soaring price of a pint of beer or glass of wine.



About 44,000 pubs, restaurants and hotel bars have closed their doors for good in the past two decades — equivalent to six every day — new figures reveal.

There were 99,916 licensed venues at the end of September, according to analysis by consultancy CGA/NIQ — the lowest number since records began three decades ago. To stop the decline, hospitality leaders have urged Jeremy Hunt to provide tax breaks to the sector in the chancellor's upcoming autumn statement.



A 75 per cent discount on business rates for the retail, hospitality and leisure sectors is due to end next April

JUSTIN TALLIS/AFP/GETTY IMAGES

Venues that depend on sales of drinks rather than food have been hardest hit, with the net number of premises falling from 96,532 to 53,403 between 2003 and September 2023 — a decline of 45 per cent.

Rural areas and smaller towns have suffered most. Torquay and Blackpool shed 61 and 57 per cent, respectively, of their licensed premises over the 20-year period, experts said.

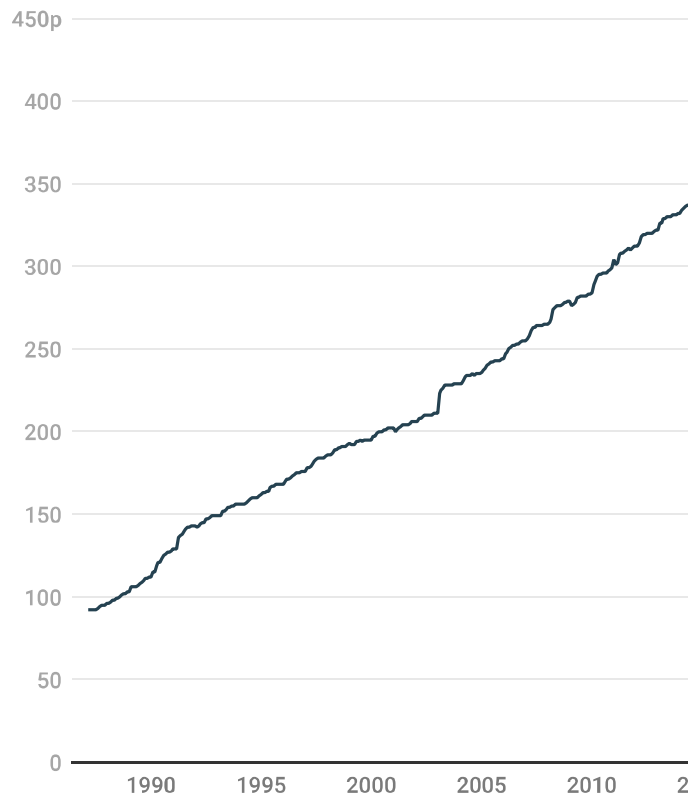
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But some city centre locations have fared better. The number of venues in Liverpool has risen by 22 per cent and Manchester 10 per cent between 2003 and 2023.

Price rises are seen as a big factor. The average cost of a pint of lager has risen from £4.09 to £4.57 over the past year, according to the Office for National Statistics — an increase of nearly 12 per cent.

Bottoms up

The average price of a pint of lager



Data not measured during lockdowns

Chart: The Times and The Sunday Times • Source: ONS



Britain's bar prices are, however, not particularly high compared with other countries. A pint of lager in France averages the equivalent of £5.86, while in the US it is £6.22. Cheaper than the UK are Germany at £3.79 and Italy at £4.30, according to the research group Finder UK. Moldova boasts the cheapest average pint in Europe at £1.36.

The world in beer

Select a country to see the average price for a pint of beer in 2023



Map: The Times and The Sunday Times • Source: Finder UK

Tim Martin, chairman of pub chain Wetherspoons, said cheaper alcohol on offer in supermarkets was to blame for the plight of the licensed trade. “When I started in 1979, 90 per cent of beer was sold in pubs and clubs,” he said. This proportion, he estimated, had fallen to 50 per cent before Covid and 40 per cent now.

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“The reasons for the decline mainly relate to tax. Pubs pay 20 per cent VAT on food sales and supermarkets nothing. This enables supermarkets to use their tax break to, in effect, subsidise beer prices,” Martin added. “So the gap between supermarket and pub prices has widened enormously over the decades, with inevitable consequences: closures. “



A 75 per cent discount on [business rates](#) for the retail, hospitality and leisure sectors is due to end next April. Hospitality businesses alone face an £850 million rates uplift if Hunt does not signal that the government will extend the relief in next month's autumn statement.

Kate Nicholls, chief executive of trade body UKHospitality, said that many in the sector — particularly independent operators — were still struggling to break even as they grapple with Covid-related debts and sluggish consumer demand.

“The withdrawal of support for business rates would be devastating and we would just see closure rates accelerate on the back of it,” she said.

Conservative Party

Economy

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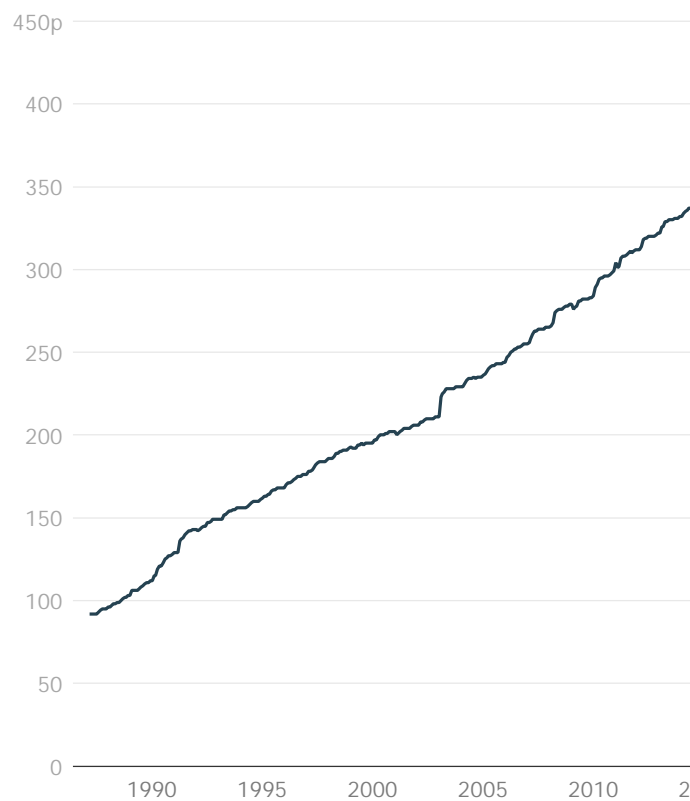
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Appendix SP8

Reworking of T Watson Viability Assessment Crown & Thistle		FMT
Wet Takings	£6,250	£325,000
Food Takings	£962	£50,000
Total Revenue	£7,212	£375,000
Wet Gross Profit	62%	£201,500
Food Gross Profit	60%	£30,000
Total GP	61.70%	£231,500
Expenses		
Wages & Salaries	20.00%	£75,000
Rates & Council Tax		£15,000
Insurance		£3,000
Beer Gas		£1,500
Utilities		£20,000
Telephone		£1,000
Repairs & Renewals		£10,000
Waste Disposal & Cleaning		£3,000
Advertising/incl wesite and social media		£3,000
Motor and Travel		£2,000
Entertainment		£3,000
Printing, Postage & Stationary		£500
BT Sport/Sky		£10,000
Accounting and book keeping		£5,000
Bank Charges		£2,000
Licences & Subscriptions		£1,000
Stocktaking/professional fees		£3,000
General Expenses		£5,000
Sub-total expenses		£88,000
Sub-total incl Wages	43.47%	£163,000
EBITDA before property costs		
		£68,500
Property occupation costs/rent		£35,000
Value of FF&E	£75,000	
Depreciation period - years	10	
Depreciation Charge		£7,500
Total additional costs		£42,500
Net Profit Before Tax		£26,000
Return on Investment		
Refurbishment Costs incl fees and trade inventory		£500,000
Pre-opening costs/void expenses		£25,000
Total Set up cost		£525,000
EBITDA/Set up cost		13%
Payback on investment (years)		20.2

Shaded areas identify amended figures/approach



Appendix SP9

S Parsons Assessment of Viability		FMT
Crown & Thistle		
Wet Takings	£5,500	£286,000
Food Takings	£250	£13,000
Total Revenue	£5,750	£299,000
Wet Gross Profit	62%	£177,320
Food Gross Profit	60%	£7,800
Total GP	61.91%	£185,120
Expenses		
Wages & Salaries	18.00%	£53,820
Rates & Council Tax		£12,000
Insurance		£3,000
Beer Gas		£1,500
Utilities		£15,000
Telephone		£1,000
Repairs & Renewals		£8,000
Waste Disposal & Cleaning		£3,000
Advertising/incl wesite and social media		£3,000
Motor and Travel		£2,000
Entertainment		£3,000
Printing, Postage & Stationary		£500
BT Sport/Sky		£10,000
Accounting and book keeping		£5,000
Bank Charges		£1,750
Licences & Subscriptions		£1,000
Stocktaking/professional fees		£3,000
General Expenses		£3,500
Sub-total expenses		£76,250
Sub-total incl Wages	43.50%	£130,070
EBITDA before property costs		£55,050
Property occupation costs/rent		£35,000
Value of FF&E	£75,000	
Depreciation period - years	10	
Depreciation Charge		£7,500
Total additional costs		£42,500
Net Profit Before Tax		£12,550
Return on Investment		
Refurbishment Costs incl fees and trade inventory		£500,000
Pre-opening costs/void expenses		£25,000
Acquistion Cost		£200,000
Total Set up cost		£725,000
EBITDA/Set up cost		8%
Payback on investment (years)		57.77

Reduced

Reduced

Reduced

Reduced

Reduced

Reduced