

Punch leases draw big crowds

Lucy Britner

More than 150 potential lease applicants have attended a second round of Punch Taverns roadshows hosted by property agent Christie+Co.

The agent marketed an initial batch of 211 former Spirit pubs earlier this year, most of which are now in the hands of solicitors or are completed. Events to market the second batch of 249 former Spirit pubs were held in Manchester, Birmingham and London.

Christie+Co director Neil Morgan said: "The pubs are of very high quality - the roadshow attracted a good mix of potential leaseholders."

The outlets come from all corners of the UK, from Scotland to Devon and from Essex to Wales. They have an average turnover of £490,000 net of VAT - substantially higher than the first batch.

Morgan said those attending included experienced operators and people looking to start a new career.

The pubco is offering former Spirit managers the chance to take on the leases. "A number of them are responding to the challenge by taking on their own pub business."

"We have a number of applicants for the pubs and Punch is conducting interviews to identify the most suitable candidates. Some are

managers with other pubcos, who want to run their own businesses," added Morgan.

"Lots of people knew which pub they were interested in and had opportunities to ask about strengths and weaknesses of a particular business. We were able to let them know how certain sites could be exploited."

Punch plans to transfer 750 managed pubs to its leased estate in 2006. Morgan expects that the next batch of former Spirit pubs will be marketed later in the year, via another series of roadshows.

Punch customer services director Francis Patton said the second batch were letting faster than the first.

to 11pm regime, or licensees have just opted to renew grandfather rights.

"Purchasers will look at pubs still operating 11am to 11pm as prime sites for longer trading, consider decisions made on other properties by some local authorities and take a view on chances of purchasing premises and securing longer hours," he said.

Davies said that hours granted to establishments may impact on prices: "Purchasers will research this and take a view on value."



Fleurets man: James Davies

THE AGENTS



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The pub industry has taken a beating from the national press over the last 12 months, what with the introduction of the Licensing Act, and preparation for the Smoking Ban now paramount. However, this does not necessarily mean a sector downturn: in fact the industry itself is showing year-on-year growth of 2% and demand for good quality pub businesses remains high.

It does mean, though, that buyers are looking to the future. Those pubs with an extra something to offer are being snapped up. The most successful pub owners take the

position adopted by many farmers when the BSE crisis hit: diversification. Those pubs that already have outside drinking space, good food or accommodation will suffer least and become most sought-after when the ban comes to the fore.

We have also seen a shift in recent years in the social habits of the adult population; previously a nation of drinkers, we are catching up with the Continent as a country that likes to eat out. This has created an upturn in the number of gastropubs, restaurant bars and refurbished high-class drinking establishments within the industry, and these are hot property in terms of buyer demand.

In fact, demand for food pubs is far outstripping supply and this will continue as the smoking ban is implemented and a new breed of customer emerges. This is also the case for the lifestyle pub - the country establishment with beer garden, plenty of character and living accommodation rolled into one.

Extended licensing hours and an impending smoking ban, together with gastropubs, designer bars and huge chains mean that the pub industry is extremely competitive in terms of business sales but still largely popular for those looking for a business with something different to offer. While finding that other streams of revenue are proving to be successful and in many cases, a necessity, traditional wet led pubs still count for the majority of licensed-business sales and will continue to thrive as long as standards are high and the location and reputation is good.