

Ref: AMD/LC

Date: 30th May 2018

MARKETING REPORT

in respect of

THE DUKE OF YORK, BROW TOP, GRINDLETON BB7 4QR



Prepared for Simon Stansfield, Strathaven, Whalley Road, Clitheroe, BB7 9LG.

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Westlake and Company are a specialist commercial property agency, established in 1991 although the current directors having in excess of 60 years' experience of the licensed trade market. The company regularly acts for major national/international and regional brewers, national pubcos, together with specialist operators including niche licensed traders, micro brewers etc.

W & Co. operate throughout the north of England and have been involved in transactions concerning over 4,000 licensed properties in the last 20 years.

A significant proportion of activity in recent years has included disposal on behalf of multiple-site operators and 'pubcos', reflecting the contraction of the licensed trade estate nationally in response to continuing changes in social trends, weight of legislative burden (not least minimum working wage), pressures on consumer spending etc.

The market for licensed premises has in recent years been significantly constrained by the almost complete lack of funding available following the "credit-crunch" with a significant number of lenders having withdrawn from this sector of the market altogether.

Numerous government incentives have seen partial success although are widely recognised not to have had any influence on the licensed trade/property market.

Whilst more recently there has been an upswing in the provision of casual dining outlets (subject to the particular demographic profile in any particular area) demand for licensed trade premises remains relatively low, and most recently with a clear recognition of an over-supply of food-led businesses, including in this particular location.

Preliminary Information and Reporting:

Westlake & Company were first asked to inspect these premises in July 2017, providing an initial report including recommendations in anticipation of potential marketing at that time.

Whilst the precise details surrounding the following are subject to client confidentiality, we can confirm a 75% drop in wet trade across the period 2010–2016. The premises at the time of our inspection were operating under some form of Tenancy At Will (i.e. no substantive lease in place).

Subsequent to our visit at that time, we have been advised that wet sales volumes had fallen by over 90% in the last 4 years, the premises having in the previous 2 years seen 6 trading agreements in place, 4 of these being a Tenancy at Will only.

As is usual in all cases of a disposal on behalf of a property company (and whose ownership of the premises is simply to achieve a rental return against the same – rather than operation of any business) no actual or detailed trading accounts were available as part of that process.

At the time of our own inspection the premises were operating limited hours only, with a restricted food offering, our file notes indicating the licensee's admission that the business was generating what amounted to a nil return despite all efforts.

In advising our clients our report included the following comments:

- Premises operating as a down-market restaurant.
- Attractive/popular residential village although with 1 other public house close nearby (The Buck) – seemingly attracting the significant majority of local trade.
- Considerable need to freshen up/refurbish the trade accommodation.
- Limited extent of trader accommodation with constraints on potential extension.
- Listed status of building significantly increases adaptation/refurbishment costs.
- No obvious alternative commercial demand having regard to the location.

There are in excess of 90 licensed premises within an approx. 3 mile radius of this site (BB7 postcode – source: Valuation Office Database as at April 2016) and as follows:

Public Houses	54
Restaurant Premises	27
Club Premises	14
Total	95

In summary, Westlake & Company provided advice as to a likely Realisation Value for the property/site, for best outcome (licensed or otherwise) this opinion based on the sale of a large number of similar opportunities in recent years and in this immediate area (including over the Lancashire/Yorkshire/Cumbria region as a whole).

Confirmation of instructions was received on 16th October 2017 – the premises being understood to have been available to let via the vendors’ own efforts from earlier in the year.

Punch Taverns at this time operated a national estate of over 2000 properties, being established agents in their own right for the letting and disposal of this type of property, utilising their own web portal and based on significant contacts throughout the property industry, supplemented by an in-house dedicated operations team, with regular marketing drives, road shows etc..

For the avoidance of doubt clients place no restrictions/constraints as to potential outcome/use of premises, the terms quoted on offering to the market being directly in line with the initial advice provided.

Marketing Activity:

The property was placed on the open market for sale with immediate effect.

Sale particulars were prepared (including photographs – copy attached, dated 18th October 2017) these clearly highlighting the features and attributes of the property, and with the intention of appealing to the widest possible range of occupiers not least including continued licensed trade users, hoteliers, caterers etc.

For Sale boards were erected on the property and these maintained throughout the period of marketing.

Sale particulars were circularised immediately, these both to Westlake and Company's extensive general mailing list, and across the widest range of additional potential buyers including:

- All national, regional and local 'pub co' operators.
- Small regional/niche brewers.
- Leisure and multiple site operators including established caterers etc..
- Local licensees/traders.
- All parties having actively enquired via our offices for details of similar sites/properties within a 50 mile radius.
- Local agents (and who may be retained by interested parties to secure similar premises in any particular area).

Particulars were mailed to 602 parties as above.

In recognition of the very poor response recently generated by direct marketing (advertising) of similar sites in this region, no adverts were placed in this instance. Westlake & Company are a long established commercial agency offering a variety of premises of this type across Lancashire/Cumbria over the last 20 years, having built up a strong network of active and acquisitive purchasers, all mailings (above) supplemented by additional search and identification of local retailers, developers, and occupiers (including agents for the same).

As a result of the initial marketing undertaken 6 expressions of interest were received up to the end of 2017, with only 2 accompanied viewings undertaken.

With effect from 19th January 2018 the asking price was reduced and particulars again re-circularised (624 parties). The agency boards were amended at this time to reflect the lower asking price.

Due to a lack of general reaction/activity the price was again reduced on 28th February (particulars circularised to all previous contacts and enquirers – 633 parties) with the agency boards again highlighting the reduced asking price.

All respondents/enquirers are asked to provide details of background and potential use for the property/site together with confirmation of funding arrangements/requirements. Not all choose to confirm such information (at least immediately).

Whilst a number of initial enquiries were for some continued operation (as a food/beverage/hospitality business), such interest decreased throughout the period of our agency (many operators expressing considerable concerns over the potential viability of the site having regard to the need for reinvestment and the general view of over supply of food-led venues in this particular location) our latterly entertaining interest almost exclusively from alternative use occupiers.

Summary:

The property was offered openly on the market both by the vendors and Westlake & Company, for a period of time in excess of that ordinarily considered appropriate for premises of this type, and with all regular marketing tools having been employed throughout.

As agents regularly dealing with this type of disposal (and including a number of sites recently in this geographical area) the general response to marketing whilst initially disappointing ultimately did meet with expectations, the outcome reflecting the foregoing.

Report prepared by Alastair McDowell MRICS

Dated 30th May 2018

FOR SALE Freehold – Free of Tie
£425,000 (OFFERS)

THE DUKE OF YORK
GRINDLETON
CLITHEROE
BB7 4QR

- Premium village PH/Restaurant in popular Ribble Valley
- Traditional property with characterful accommodation
- Bar areas/Dining with potential letting bedrooms
- Excellent site including car park and garden/external dining



Location & Description

The Duke of York is an attractive traditionally styled property at the centre of the community offering characterful bar and dining accommodation with potential for some letting bedrooms.

Grindleton is a very popular residential village approx. 3 miles North of Clitheroe, within the renowned Ribble Valley.

With nearby communities including Waddington, Sawley, Downham, and Rimington (as well as being convenient to the wider area by virtue of the A59 main route a short distance to the South) the premises are well situated to benefit from a large and affluent potential clientele including a strong established drive-out trade.

Accommodation

The main entrance gives immediate access to the heavily traditional bar area (stone flag floor and with beamed ceiling) open to 2 bar seating areas (each with fireplace). The separate dining area to the side accommodates approx. 50 covers, this a comfortable room with some fitted seating plus bay windows overlooking frontage (doors to car park). To the rear of the main service areas are kitchens together with prep and wash areas, a rear entrance vestibule (access to the garden) having ladies, gents and WC facility for disabled off. Beer cellar.

To the first floor are 4 bed private living quarters with kitchen, sitting room and bathroom, plus a further large attic store at second floor (potential management quarters and when the first floor could be converted to provide letting bedrooms).

FLOOR AREAS	Sq. M	Sq. Ft
Ground Floor	226.6	2440
First Floor	114.8	1235
Total Approx. GIA	341.4	3675

Externally there is parking to the side for approx. 25 vehicles, plus lawned garden area at rear with external dining/drinking terrace.

Site area approx. 0.14Ha/0.30A

Rates

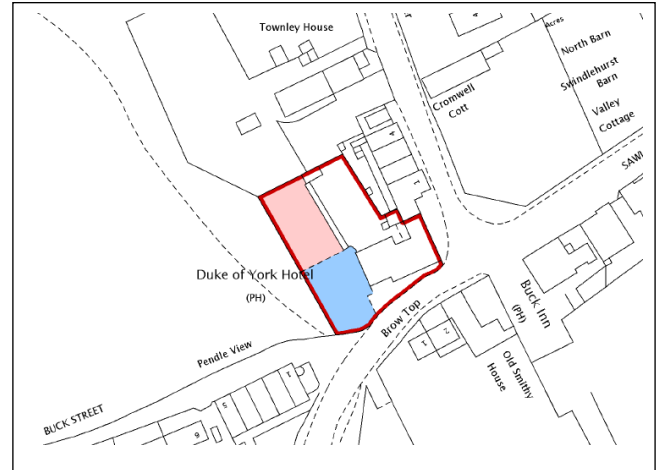
Rateable Value £43,700

Trade Furnishings & Equipment

The sale does not guarantee inclusion of any specific fixtures/fittings, furnishings and equipment. Some items may be in situ on the date of completion, although in respect of which no legal Title is offered and no inventory will be prepared. All vending/AWP machines, beer raising/cooling equipment and corporate signage areas excluded from the sale. None of the equipment/appliances have been tested.

Planning

Enquiries to Ribble Valley Planning Office confirm that the property is Grade II Listed and within a Conservation Area. Interested parties should satisfy themselves as to the foregoing details, making their own enquiries regarding suitability of the property for any alternative/proposed use. Further details may be obtained from Ribble Valley BC telephone 01200 414 499.



Tenure

Freehold with vacant possession on completion.

Price £425,000 (Offers) VAT applicable.

EPC D (99)

— Details prepared: 18.10.17

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