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Dear Sirs

Hoot 'n' Annie's, 180 Kentish Town Road, London NW5 2AE

1.0 Introduction and Background

1.1 You have provided me with instructions to provide my views on a proposed change of use of the above mentioned property. The property is now closed but formerly operated as a bar/public house (A4).

1.2 I am a chartered surveyor with some 30 years experience of dealing with licensed properties. I commenced my employment in this specialist field with a corporate operator of public houses and leisure properties in 1985. At this time I dealt solely with properties in the Greater London area. The company concerned, Ind Coope - Taylor Walker Limited, was an operator of both managed and tied tenancies/leases. The company operated some 750 houses throughout Greater London. I was employed by the group which incorporated Ind Coope - Taylor Walker Limited for some 15 years. I subsequently joined Fleurets, in their London office, a national practice which deals exclusively in the sale and valuation of public houses, restaurants, hotels and other forms of licensed and leisure property. I am now based in the firm's Bristol office but regularly receive instructions across the south of England, including London.

1.3 I feel I am well placed to provide my views on the subject matter.

1.4 As part of the exercise I shall consider:

- Overview of the property and the location.
- The previous trading style of the subject property, as far as it is known and issues which have impacted on viability of public houses.
- Relevant planning policy and legislation.

2.0 The Property

2.1 Location and Description

2.1.1 Hoot 'n' Annie's is situated at the junction of Kentish Town Road with Patshull Road within the area known as Kentish Town, an inner city area to the north of central London. Kentish Town Road is a vibrant commercial area which provides a range of commercial, retail and leisure services for people who are resident within the area. The availability of excellent transport links provides relatively easy access for people who live beyond Kentish Town. The streets to the east and west of Kentish Town Road are primarily in residential use.



2.1.2 The property most probably dates from the mid to late 1800s and has been constructed in a relatively typical style for the period. It would have been a purpose built public house. For the period in which the property was constructed this would have been a smaller, less decorative public house than the grander gin palaces which were also built at this time.

2.1.3 We are concerned with a corner property which has been constructed over basement, ground, first and second floor levels. Originally, the basement would have been a traditional beer store with the business trading at ground floor only. The upper floors would have been utilised as domestic accommodation and possibly also lodgings. As with many public houses of this type, the upper floors would have become largely disused over time.

2.1.4 I have not measured the premises myself, however I note from the sales details prepared by Christo & Co, in their current layout the premises provide the following:

| | | |
|--------------|-----------------|----------------------|
| Ground Floor | 135 sq m. | (1,350 sq ft) |
| Basement | <u>106 sq m</u> | <u>(1,150 sq ft)</u> |
| Total | 241 sq m | (2,500 sq ft) |

2.1.5 In recent years the layout of the basement has been altered so that it now provides additional trading area. The impact of these alterations has been to significantly reduce the storage areas to the extent the beer store is now effectively beneath the footpath.

2.1.6 For a modern day wet led business a total floor area such as this would be considered very small, particularly if it were expected to provide a degree of community facilities.

2.1.7 A separate access is available to the upper floors, at the time of my inspection the space had largely been 'cleared', it was in little more than shell condition.

2.2 Trading Style and Factors Impacting on Trade Levels

2.2.1 The property previously operated as a public house having been constructed by one of the regional brewers of the time.

2.2.2 At the time the property was constructed the social and economic climates were both very different from that of today. Large numbers of public houses were constructed, which outweigh modern requirements.

2.2.3 The property initially traded as the Wolsey Tavern and I understand this was the case until circa 2008. I have not previously had any dealings with this property but imagine it as being a traditional wet led public house.

2.2.4 2007/2008 was a watershed for public houses for a number of reasons and has regularly been described in trade press as what amounted to the 'perfect storm'. Initially there was the introduction of the ban on smoking in public places in July 2007. A report produced by the Federation of Licensed Victuallers (FVLA) and the British Institute of Innkeeping (BII) issued in September 2008 concluded

"The smoking ban has had a serious and continuing effect on trade with the very important of 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."

2.2.5 Beer volumes had been declining prior to the introduction of the ban on smoking, however the greatest annual decline in beer volumes was experienced between 2007 and 2008 as demonstrated by the table below.



- 2.2.6** The table, comprising statistics produced by the British Beer and Pub Association (BBPA) in their UK Quarterly Beer Barometer, shows a decline in annual beer sales in the on trade between 2000 and 2014 from 23,358,000 to 13,690,000 barrels, a decline of 41.4%. During the same period annual beer sales in the off trade show an increase from 11,215,000 to 13,801,000 barrels, an increase of 23.1%.
- 2.2.7** It is clear from the above statistics that traditional public houses have been severely hit. The extent to which public houses have been closing has been well documented across the UK. It cannot be denied that public houses have been closing in many different types of location and for different reasons, as a consequence the Government, Local Authorities and Trade bodies have been seeking to protect them. The policies introduced, specifically those within the Localism Act 2011, aim to protect public houses that are providing community facilities to local residents.
- 2.2.8** A key factor in the ability of traditional public houses to withstand the decline in beer volumes has been their ability to adapt the business operation through alternative methods of retailing. In many cases this will have involved the introduction of food. Today, many businesses which would be considered traditional public houses are reliant on food sales for their continued viability. To put the above commentary into perspective I would add the subject property has no external areas and was therefore unable to provide a smoking solution to counter the effects of the introduction of a ban on smoking in public places and the trading/public areas are small which make the introduction of a commercially viable catering kitchen difficult, if not impossible.
- 2.2.9** 2007/2008 was also the beginning of a deep recession which resulted in many changing their social habits. Arguably London was less effected by this than much of the UK but I have no doubt local people followed the trend of increasingly buying alcohol from supermarkets where it was being sold at a significant discount to trading pubs and bars. Many simply decided to remain in their homes. There is now a younger age group who prefer to drink at home prior to going out later in the evening, a practice which has become widely known as preloading.
- 2.2.10** It was also the case that people became more discerning with their leisure spend, it is partly this which has resulted in the dramatic increase in the level of money spent by people eating out. This shift towards eating out has resulted the growth in the number of restaurants and increased food spend in public houses.
- 2.2.11** As indicated above, the Wolsey Tavern ceased trading in 2008 albeit by this time it had changed its name to Auntie Annie's Porter House. I would suggest this was very much a result in a reduction in trade arising from the issues outlined above.
- 2.2.12** Later in 2008 the property reopened albeit in a completely different style. I would suggest this was a further effort to address changing market conditions so that a viable business could be operated. All indications are that this was a material change in style and certainly the new operation could not be described as a traditional pub, instead being a glamorous kitsch bar with a baby grand piano.
- 2.2.13** Evidently this style of operation was not a success with the business ceasing in 2013. In June 2013 the premises reopened as Hoot 'n' Annie's, an American theme bar and restaurant.
- 2.2.14** The consistency in the change of name and change in style of business i.e. 'Annie's' would suggest the owner was attempting different styles of operation in order to maintain a viable business. These efforts to diversify are exactly what I would expect the owner of a licensed property to do to address changing market conditions.
- 2.2.15** From the information available to me it has become clear that certainly from 2008 when Auntie Annie's Porter House closed the style of operation of the subject premises has moved further away from that of a traditional public house.
- 2.2.16** I have been provided with annual returns provided to Companies House for a period from 2011 to 2014. The accounts available from Companies House are of little, if any, assistance as they merely include an abbreviated balance sheet. There is no legal requirement for businesses of a certain size to provide full audited accounts. I would expect an individual business such as the type operated at 180 Kentish Town Road to fall into the category where audited accounts were not required.



3.0 Planning Policy and Legislation

- 3.1 I do not propose to repeat all of the relevant planning policy as I am aware this is included in the Planning Statement prepared by CgMs.
- 3.2 I understand that currently there is a single policy that relates to public houses (Policy DP15) which states the loss of local pubs that serve a community role will be resisted unless alternative provision is available nearby or it can be demonstrated that the premises are no longer economically viable for pub use.
- 3.3 I shall consider the first two parts of this policy in turn i.e. does the property serve a community role and the availability of alternative facilities.

Does Hoot 'n' Annie's serve a community role?

- 3.4 I believe the first issue to be addressed is what constitutes a community pub, the Policy suggests that this is one that provides space for evening classes, clubs, meetings or performances. I would further suggest that a community public house is one that serves a specific residential community and is at the heart of that community.
- 3.5 Significantly, in the early part of 2015 the Bartholomew Area Residents Association made an application to the LB Camden to have the property listed as an Asset of Community Value i.e. they were of the opinion the property provided a community service.
- 3.6 The catchment area for the Bartholomew Area Residents Association is an area which includes; Bartholomew Road from Kentish Town Road to Gaisford Road, Bartholomew Villas, Patshull Road, Patshull Place and Sandall Road.
- 3.7 The application was rejected by LB Camden on the grounds of "*insufficient evidence of furthering social wellbeing and social interests*".
- 3.8 To attempt to -put this refusal into perspective I believe it is of benefit to consider this refusal of Asset of Community status against the Register of Community Assets which covers the whole of the LB Camden.
- 3.9 As far as I can ascertain there have been 29 applications to list properties in the LB Camden as Assets of Community Value, of these 15 have been in respect of public houses. I summarise this information below.

| Property | Decision | Decision Date |
|--|-----------------|--------------------------------|
| Golden Lion, 88 Royal College Street, Camden | Successful | 12 th December 2013 |
| Old White Bear, Well Road, Hampstead | Successful | 27 th January 2014 |
| Cock Tavern, Phoenix Road, Summertown | Successful | 31 st January 2014 |
| Magdala, 2a South Hill Park, Hampstead | Successful | 29 th August 2014 |
| Admiral Mann, 9 Hargrave Place, Kentish Town | Successful | 30 th October 2014 |
| Prince Albert, 11 Princess Road, Primrose Hill | Formerly Listed | 17 th November 2014 |
| Dartmouth Arms, 35 Park Rise, Dartmouth Park | Successful | 3 rd February 2015 |
| Hoots 'n' Annie's, Kentish Town Road | Unsuccessful | 27 th February 2015 |
| Carpenters Arms, 105 Kings Cross Road | Successful | 2 nd April 2015 |
| Sir Richard Steele, 97 Haverstock Hill | Successful | 18 th May 2015 |
| Hollybush, 22 Holly Mews, Hampstead | Successful | 4 th November 2015 |
| Duke of Hamilton, 23-25 New End, Hampstead | Successful | 10 th November 2015 |
| King William IV, 77 High Street, Hampstead | Successful | 9 th November 2015 |
| Lord Stanley, 51 Camden Park Road, Camden | Pending | |



- 3.10** The only property where an application has been unsuccessful, is the subject premises.
- 3.11** In my opinion the subject property is situated on a thriving inner city high street where the number and range of licensed uses available create a circuit hence attracting customers from a relatively wide geographical area. In my opinion the subject property would not have been a community pub for many years. If as the Wolsey Tavern or Auntie Annie's Porter House the pub had been successful why would the owner have ceased trading, invested in the property and reopened with a different style of operation?
- 3.12** In light of information available to me there is no evidence to suggest Hoot 'n' Annie's fulfilled a community role. This view is endorsed by the LB Camden decision to refuse the property Asset of Community Value status as recently as February 2015.

Availability of Alternative Facilities.

- 3.13** As indicated above Hoot 'n' Annie's is situated on a thriving inner city high street which not only serves the streets leading immediately off it but due to the provision of public transport will attract visitors from further afield.
- 3.14** At the northern end of Kentish Town Road, at its junction with Leighton Road is Kentish Town underground station (northern line) and Kentish Town Road is also served by five bus routes (134, 214, 393, C2 and M20).
- 3.15** The property is situated on the Kentish Town Road between its junction of Highgate Road/Fortess Road to the north and Camden Town Underground Station to the south. There are numerous types of leisure facilities be they bars, public houses, restaurants, takeaways or the like.
- 3.16** Within the residential areas to the east and west of Kentish Town Road there are further facilities which generally take the form of more traditional public houses. To be considered a community pub in an area such as this I would consider it relevant to have regard to facilities within a c500 metre radius.
- 3.17** The outlets/facilities on the Kentish Town Road are set out below, commencing at the northern end and moving south. I have focussed on purely public house/bar facilities within a c500 metre radius on the basis the proposal is for a change of use from A4 to A3.

| Distance from Hoot 'n' Annies | Property | Style of Operation |
|-------------------------------|---|---|
| 478 metres | Bull & Gate, 168 Highgate Road | Traditional public house, gin palace style. Live music. |
| 405 metres | Southern Joe's Kitchen, 300 Kentish Town Road | Bar/restaurant. External trading area. |
| 400 metres | Jailbird Bar, 300 Kentish Town Road | Basement bar below Southern Joe's Kitchen. |
| 398 metres | Assembly House, 292-294 Kentish Town Road | Large, prominent traditional public house. Gin Palace style. Food available. Opposite Kentish Town Underground Station. |
| 260 metres | Oxford PH, 256 Kentish Town Road | Traditional public house, First floor function room. |
| 30 metres | Camdens Daughter (former O'Reillys) 289 -291 Kentish Town Road | Recent refurbishment. Camden Town Brewery Company is the occupier. Almost opposite Hoot 'n' Annie's. |
| | Hoot 'n' Annie's, 180 Kentish Town Road | |
| 174 metres | Abbey Tavern, 124 Kentish Town Road | Traditional public house. Function Room. Roof Terrace. |
| 503 metres | Quinns, 65 Kentish Town Road | Large, prominent traditional public house. Some external trading areas. Does not appear to trade during the day. |



3.18 Within the residential areas to the east and west of the Kentish Town Road the available outlets/facilities, adopting a similar approach to 3.17 above are as follows:

| Distance from Hoot 'n' Annie's | Property | Style of Operation |
|--------------------------------|--|--|
| 175 metres | Lion & Unicorn, 42-44 Gaisford Street | Within residential area. Food available. Events held e.g. quiz nights. External trading area. Pub Theatre. |
| 220 metres | Grafton Arms, 20 Prince of Wales Road | Prominent, traditional public house within a primarily residential area. Function room. Roof terrace. |
| 348 metres | George IV, 76 Willes Road | Prominent, traditional public house within a primarily residential area. |
| 398 metres | Tapping the Admiral, 77 Castle Road. | Within residential area. Cask ales and food. |

3.19 The 'second' arm of Policy DP15 relates to viability. In the absence of any meaningful accounting information it is difficult to address this issue. It also needs to be borne in mind that even if accounts were available I am of the view that the premises were not trading in a style that provided community facilities, a point which is presumably acknowledged by LB Camden given their refusal to grant the property Asset of Community Value status.

3.20 I am of the view the area is well served by a variety of public houses/bars, there being 11 trading outlets within a c500 metres radius of the subject property. Given the availability of alternative venues in which to socialise I am of the view this is a sufficient number of public houses/bars to meet modern day requirements.

4.0 Marketing Exercise

4.1 I have been provided with a copy of the Marketing Report prepared by Christo & Co dated 28th October 2015.

4.2 Christo & Co is an established firm of North London commercial surveyors, I have been aware of them since I commenced my employment in licensed property in the mid 1980's. As a result of the 'local' nature of their practice I believe they will be known to any parties who either operate or have a requirement in the area.

4.3 The marketing exercise described in the report is consistent with one my own firm would adopt.

4.4 I believe the lack of interest in the premises for A4 use supports the contention that in recent years the property has become unviable from a public house perspective.

4.5 The Christo & Co conclusions are largely consistent with my own i.e. for use as a public house:

- The premises are too small.
- There is a lack of demand.
- High level of local competition.
- Historically, the pub would appear to have struggled to be viable.

5.0 Conclusions

5.1 The subject property had not traded as a community public house for many years, a view supported by LB Camden's refusal to grant the property Asset of Community Value status.

5.2 The premises are small for a public house and are better suited to adaptation as a restaurant.

5.3 The previous owners sought to change the business model past 2008. If this had previously been a successful business I would suggest they would not have undertaken the capital investment required and accepted the risk attached thereto.



- 5.4 Eleven relatively traditional public houses are currently trading within a c500 metre radius of the subject property. I consider these to be sufficient to meet the requirements of the local population.
- 5.5 The subject property is situated on a 'high street', this would not be the type of location I would normally associate with a public house providing community facilities.

Yours faithfully

Stuart Parsons BSc MRICS FAVLP
Divisional Director
RICS Registered Valuer