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Dear Sir/Madam

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

1.0 Introduction and Background

- 1.1 In November 2015 I provided my views on a proposed change of use of the above mentioned property; the property was closed but had formerly operated as a bar/public house (Use Class A4).
- 1.2 A change of use from A4 to A3 was granted in October 2016 following which the site was marketed, on the basis of a new lease, for restaurant and bar use by Colliers International.
- 1.3 I have now received instructions to revisit my Report of November 2015 in light of the failure to secure a restaurant user, the change of Planning Policy and the proposed application to seek a change of use from A4 to A1/A2/D2.
- 1.4 I am a chartered surveyor with in excess of 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.
- 1.5 I feel I am well placed to provide my views on the subject matter.
- 1.6 As part of the exercise I shall consider:
- An 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.
 - Marketing exercises undertaken by both Christo & Co and Colliers International.



2.0 The Property

2.1 Location and Description

2.1.1 The property formerly known as 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 remains 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 lodgings. As was the case 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, that 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)

Colliers International adopted the same floor areas in their subsequent marketing campaign.

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 that available would be considered very small, particularly if it were expected to provide a degree of community facilities. The unit would also be considered small for the majority of branded restaurant operators who are typically seeking units of 2,500 sq ft to 4,000 sq ft.

2.1.7 A separate access is available to the upper floors, at the time of my inspection the upper floors had largely been 'cleared', the space was in little more than shell condition. Please note I have not re-inspected the property in connection with the preparation of this up dated Report.

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. Beer volumes have continued to decline on an annual basis, as shown below.

	Annual On-Trade Beer Sales (.000 barrels)																
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Q1	5,246	5,022	5,069	4,901	4,833	4,701	4,470	4,298	3,950	3,720	3,415	3,355	3,190	3,021	2,930	2,851	2,840
Q2	6,096	5,923	5,838	5,685	5,660	5,343	5,310	4,963	4,449	4,266	4,028	3,933	3,745	3,521	3,599	3,439	3,374
Q3	5,969	5,802	5,629	5,597	5,422	5,293	4,972	4,716	4,346	4,162	3,878	3,792	3,596	3,560	3,493	3,465	3,348
Q4	6,047	6,016	5,797	5,706	5,599	5,393	5,190	4,716	4,302	4,108	3,813	3,844	3,635	3,588	3,515	3,426	3,325
Total	23,358	22,763	22,333	21,889	21,514	20,730	19,942	18,693	17,047	16,256	15,134	14,924	14,166	13,690	13,537	13,181	12,887
% Decline		2.55%	1.89%	1.99%	1.71%	3.64%	3.80%	6.26%	8.81%	4.64%	6.90%	1.39%	5.08%	3.36%	1.12%	2.63%	2.20%

2.2.6 The above 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 2016 from 23,358,000 to 12,887,000 barrels, a decline of 44.8%. During the same period annual beer sales in the off trade show an increase from 11,215,000 to 13,791,000 barrels, an increase of 23.0%.

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 of 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 closing 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 had moved further away from that of a traditional public house.
- 2.2.16** I have been provided with annual returns submitted 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.
- 2.2.17** The property has not traded as a licensed property, in any form, since March 2014.

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 Collective Planning.
- 3.2** Camden Council have, since my report dated 27th November 2015, adopted their Local Plan (June 2017). The Local Plan contains a Policy (C4) protecting public houses and this specifically states that planning permission will not be granted for proposals for change of use, redevelopment and/or demolition of a public house unless it can be demonstrated to the Council's satisfaction that:
- a) "the proposal would not result in the loss of pubs which are valued by the community (including protected groups) unless there are equivalent premises available capable of meeting the community's needs served by the public house; or
 - b) there is no interest in the continued use of the property or site as a public house and no reasonable prospect of a public house being able to trade from the premises over the medium term."
- 3.3** The Kentish Town Neighbourhood Plan Policy CC3 (Protection of Public Houses) lists all the public houses within the neighbourhood, this list does not include the subject property. The Policy includes commentary that the Kentish Town has lost four public houses in the past four years, this figure includes Hoot 'n' Annie's.
- 3.4** I shall now address the two 'arms' of Policy C4 in turn i.e. does the property serve a community role and then the a review of the trading history (accounts), availability of alternative facilities and marketing of the premises which I consider demonstrates whether the premises have a reasonable prospect of being opened as a public house in the medium term.



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

- 3.5** I believe the first issue to be addressed is what constitutes a community public house, this could be deemed to be a public house which in addition to retailing wet products also provides space for the likes of evening classes, clubs, meetings or performances. I tend to the view that the most important feature of a community public house is that it serves a specific residential community and is at the heart of that community.
- 3.6** 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.
- 3.7** 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.
- 3.8** The application was rejected by LB Camden on the grounds of *"insufficient evidence of furthering social wellbeing and social interests"*.
- 3.9** To attempt to-put this refusal into perspective I believe it is of benefit to consider this refusal of Asset of Community Value status against the Register of Community Assets which covers the whole of the LB Camden.
- 3.10** As far as I can ascertain there have been 46 applications to list properties in the LB Camden as Assets of Community Value, of these 24 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	Successful	12 th November 2015
Alliance, 40-42 Mill Lane, West Hampstead	Successful	10 th March 2016
Wells Tavern, 30 Well Walk, Hampstead	Successful	23 rd June 2016
Horseshoe, 28 Heath Street, Hampstead	Unsuccessful	23 rd June 2016
Tapping the Admiral, 88 Castle Road, Kentish Town	Successful	3 rd August 2016
Garden Gate, 14 South End Road, Hampstead	Successful	23 rd September 2016
Freemasons Arms, 32 Downshire Hill, Hampstead Heath	Successful	23 rd September 2016
Rosslyn Arms, 48 Rosslyn Hill, Hampstead	Unsuccessful	31 st January 2017
Flask, 14 Flask Walk, Hampstead	Unsuccessful	22 nd August 2017
Roebuck, 15 Pond Street, Hampstead	Unsuccessful	22 nd August 2017



- 3.11** Of the 24 applications identified above the subject property is one of five applications that have been unsuccessful. Significantly, in my opinion, Hoot 'n' Annie's was the first property not to be listed as an ACV.
- 3.12** 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?
- 3.13** 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 on 27th February 2015.

Trading History (Accounts)/Availability of Alternative Facilities/Marketing of the Property

- 3.14** The most effective way of determining whether a site has a reasonable prospect of trading as a public house is to consider the trading history of the site, as far as it is known, other facilities available in the area and the outcome of any marketing undertaken.
- 3.15** The history of the site is set out within section 2.2 above, I do not propose to repeat this. The known history clearly demonstrates that a number of efforts were made to reinvent the business, these all seemingly failed. There is no financial information available to confirm whether the businesses were a success or had failed.
- 3.16** 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.
- 3.17** 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).
- 3.18** 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.
- 3.19** 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.
- 3.20** 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 A1/A2/D2.

Distance from Hoot 'n' Annie's	Property	Style of Operation
478 metres	Bull & Gate, 168 Highgate Road	Traditional public house, gin palace style. Live music.
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	Camden Town Brewery Company is the



	O'Reillys) 289 -291 Kentish Town Road	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.

3.21 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.

3.22 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.

3.23 I have been provided with a copy of the Marketing Report prepared by Christo & Co dated 28th October 2015 relating to their marketing of the property in the period leading up to planning consent being obtained for a change of use in 2016. A copy of this Report is included within the Planning Statement produced by Collective Planning.

3.24 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 would have been known to any parties who either operated or had a requirement in the area.

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

3.26 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.

3.27 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.

3.28 In September 2016, following the grant of change of use from A4 to A3, Colliers International were instructed to market the property for restaurant use. Colliers have a recognised team of specialist licensed surveyors who have good market knowledge. A Marketing Report has been produced by



them, dated 10th October 2017, a copy of which is included within the Planning Statement produced by Collective Planning.

- 3.29 The marketing exercise undertaken was to offer the ground and basement levels of the property, for restaurant or public house use, on the basis of a new lease at a guide rent of £110,000 pa.
- 3.30 Colliers marketing approach was very much what I would expect with direct approaches to known parties, preparation of letting details and circulation of the same through various means. A 'To Let' board was also erected on the premises.
- 3.31 I note and agree with the comments made by Colliers International that the unit is too off-pitch as it falls between two circuits with no nearby leisure anchors. Furthermore, that the layout of the lower ground floor was too dark and lacked any natural light.
- 3.32 Notably Colliers International identify an offer received from a recognised multiple operator, Turtle Bay, however matters did not progress to completion as the Local Authority were not prepared to grant a Premises Licence which permitted the consumption of alcohol unless purchased with a main meal. Such Premises Licence conditions would not be suitable for the operation of a public house.
- 3.33 The commentary within the Colliers International Report indicates that rent free periods were offered in an effort to secure a new tenant/operator.
- 3.34 I am of the opinion Colliers International utilised all reasonable efforts to secure an operator but that the market has demonstrated that there is no demand for the property for either A4 or A3 uses.

4.0 Conclusions

- 4.1 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.
- 4.2 The premises are small for both public house and restaurant uses.
- 4.3 The previous owners sought to change the business model post 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.
- 4.4 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.
- 4.5 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.
- 4.6 The Local Authority has not been prepared to grant a Premise Licence unless alcohol is purchased with a main meal, this would not be suitable for public house use.

Yours faithfully

Stuart Parsons BSc MRICS FAVLP
Divisional Director
RICS Registered Valuer