

JAMES A BAKER

CHARTERED SURVEYORS

Viability Report

In relation to a planning application for a change of use/demolition of
existing public house



Ascot Arms
Central Avenue
Gravesend
Kent
DA12 5AW

Prepared by:

Jack Samuel Sinclair BSc (Hons) MRICS

Date: 10th February 2021

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Confidentiality

This Report has been prepared in connection to a planning application for premises known as the Ascot Arms, Gravesend. The contents are confidential and are not to be divulged to third parties, nor reproduced in whole or in part, without the permission of James A Baker and the client.

Gravesend Borough Council

1.00 Instruction

- 1.01 I have been instructed by Willowbrook Healthcare Developments Ltd to provide an opinion as to the viability of the Ascot Arms, Gravesend in relation to a proposed planning application for a change of use/demolition of the public house.
- 1.02 I, Jack Samuel Sinclair, am a Member of the Royal Institution of Chartered Surveyors and an RICS Registered Valuer. I hold a degree in Real Estate from the University of the West of England. I am a Chartered Surveyor and Director of James A Baker with around eight years' experience and specialise in dealing with a wide range of property matters relating to licensed property.
- 1.03 Established in 2000, James A Baker is a national firm of Chartered Surveyors in the licensed, leisure and commercial sectors of the property market, with offices based in London, Bath, Leeds and Birmingham. The range of work undertaken includes dealing with sales and lettings as well as management, development and professional services. We offer these services throughout the UK.
- 1.04 I have significant experience in selling both trading and vacant public houses across the UK. I work out of the James A Baker London office and am familiar with the local market. James A Baker are active in the area and are instructed by Star Pubs & Bars (current owner) as the sole agent in relation to the freehold disposal of the Ascot Arms.
- 1.05 I confirm that my report is prepared in accordance with the RICS Guidance Notes for Surveyors Acting as Expert Witnesses Practice Statement. I have included a statement of truth at the end of this report (Section 10 – Declaration).

2.00 Inspection

- 2.01 I inspected the property and surrounding area on Thursday 21st January 2021.

3.00 Location

- 3.01 Gravesend is a historic town in Kent located approximately 7 miles east of the town of Dartford and around 22 miles south east of the city of London. It is situated on the south bank of the Thames Estuary and has a population of around 74,000

residents. The town has very good transport links and is popular with commuters. Gravesend railway station is situated on the North Kent Line which provides rail services into central London in around 26 minutes.

- 3.02 The Ascot Arms fronts Central Avenue and benefits from a return frontage onto Ascot Road. It is situated in a densely populated residential area which comprises of mainly terraced dwellings and backs onto a park. The Mid Kent Golf Club is also located nearby.

4.00 Description

- 4.01 The Ascot Arms is a substantial two storey detached property of brick construction with painted and rendered elevations beneath a variety of pitched and hipped tiled roofs with numerous additions.
- 4.02 The property has a ground floor Gross Internal Area of approximately 10,533 square feet and sits on a plot of circa 1.08 acres.

(Appendix 1 - Images of the Property)

- 4.03 The pub has been closed for around 1.5 years and there are a number of other public houses located nearby which I will consider later. The property is in poor condition and requires substantial investment.

4.04 Trade Accommodation

The ground floor internal trading areas comprise of a large open plan bar/restaurant area which can accommodate circa 90 covers with a central servery. There is also a large separate function room.

4.05 Ancillary Accommodation

Ancillary trade areas includes two large commercial kitchens (at ground and first floor level), two sets of customer WC's, office, utility room and a basement cellar with various stores.

4.06 Private Accommodation

The private accommodation is situated on the first and second floor of the pub. The first floor comprises of three double bedrooms, single bedroom, living room, kitchen, office, family bathroom and separate WC. The second floor comprises of two double bedrooms, single bedroom with en-suite and a family bathroom.

4.07 Outside

Externally, there is a large rear trade garden for circa 34 covers with a smoking solution, front trade area for circa 18 covers and a private garden with a substation. There is car parking to the front and side of the pub for circa 14 vehicles.

4.08 Condition

The internal and external condition of the building is currently in poor condition and the pub requires substantial investment throughout.

4.09 Asset of Community Value (ACV)

The pub was nominated to be listed with an ACV on 29th January 2020 although the nomination was unsuccessful. The Council concluded *"It is not currently used for a purpose which furthers the social wellbeing or social interest of the local community and it is unlikely that it could be used in a way which furthers the social wellbeing or social interests of the local community in the next five years"*.

5.00 **Local Competition**

5.01 There is a substantial amount of licensed competition in the local area. I have listed some below.

(Appendix 2 – Map of Licensed Competition)

1) Prince of Orange, 1 Old Road East, Gravesend, DA12 1NJ – (Large public house with letting accommodation owned by Ei Group. It is located around 0.4 miles away from the subject property).

2) The Woodlands Beefeater, Wrotham Road, Gravesend, DA11 7LF - (Substantial managed pub and hotel owned by Whitbread. It is located around 0.7 miles away from the subject property).

3) The Windmill Tavern, 45 Shrubbery Road, Gravesend, DA12 1JW – (Large pub owned by Ei Group with good sized internal and external trading areas. It is located around 0.8 miles away from the subject property).

4) Toby Carvery, Coldharbour Road, Northfleet, Gravesend, DA11 8AB – (Purpose built managed pub operated by M&B and is positioned adjacent to a Travelodge. It is located around 1 mile away from the subject property).

5) The Pelham Arms, 189 Old Road West, Gravesend, DA11 0LT – (Large public house owned by Ei Group. It is located around 1 mile away from the subject property).

6) The George, Hever Court Road, Singlewell, Gravesend, DA12 5UQ - (Substantial managed public house operated by M&B. It is located around 1.1 miles away from the subject property).

7) Harvester, Rochester Road, Chalk, Gravesend, DA12 4TN - (Managed pub/restaurant operated by M&B. It is located around 1.4 miles away from the subject property).

8) Gravesend Boat, Leander Drive, Gravesend, DA12 4NQ - (Large public house operated by Meet & Greet Ltd. It is located around 1.5 miles away from the subject property).

5.02 Summary of Local Competition

It is clear that the nearby area is very well catered for with 8 public houses within a circa 1.5 mile radius of the subject property. There is also a number of other public houses trading nearby. In my view the loss of the Ascot Arms would not be detrimental to the local area due to the vast amount of competition located nearby.

6.00 Public House Market

6.01 In the past decade there has been a major change in the public house market. Ownership has become dominated by a few large pub companies and breweries which include Star Pubs & Bars, Ei Group (now Stonegate Pub Company), Greene

King, Punch Pub Company and Marston's, which generally make their income from a combination of rent and the beer tie.

- 6.02 Over the past ten years, beer sales have generally been in decline. 2019 was the first year that total beer sales increased by 1.1% (up from the previous year) which suggests they may well be stabilising after a downwards trend.
- 6.03 It has been well documented that there has been a substantial decline in the number of pubs in the UK. According to the British Beer and Pub Association the number of pubs has declined from 60,700 in 2001 to 55,400 in 2010, and 48,350 in 2017. It was reported in the Morning Advertiser that the total number of pubs dropped by 2% (994 venues) from December 2018 to December 2019 which is at a lower rate compared to previous years.
- 6.04 The change in consumers' social habits, improved living conditions and discounted alcohol being sold in supermarkets has resulted in many of the major pub owning companies rationalising their estates and many traditional style wet led sales driven public houses being sold off, many of which are for alternate use.
- 6.05 Another key factor is that communities have changed and the reason or need for the pub existing in the first place has gone. A more transient population and demographic change may both have an impact. Some pubs have closed because the building is no longer fit for purpose.
- 6.06 Where there are too many pubs and if one or two of them close, the business will usually transfer to other pubs. This increases their viability and encourages investment and improvement to those remaining businesses. In Gravesend, there is a significant amount of licensed competition and given that the subject property has been closed for around 1.5 years, I am of the view that any trade will have already transferred over to the pubs trading nearby.
- 6.07 It is important to mention the Covid-19 pandemic, subsequent lockdown and the enforced closure of public houses from 20th March to 4th July 2020. The reported trading levels of pubs since they have been able to reopen on 4th July with one metre plus social distancing measures has been mixed. Many pubs are still unable

to trade profitably due to their configuration/layout and a significant number still remain closed.

6.08 The Government announced a second lockdown on all pubs, bars, restaurants and non essential businesses from 4th November 2020 until 2nd December 2020 to help prevent the spread of the virus. Following this, a new strain of Covid-19 was found which was spreading at a significantly higher rate than before and the Government announced a national lockdown on 5th January 2021. This is expected to be reviewed late February although there are concerns it may last until the end of March.

6.09 This is likely to have a further impact on the already struggling public house sector. It has been reported in the press that there are likely to be mass public house closures as a result of the pandemic:

"More than a quarter of all pubs face permanent closure in the wake of the new lockdown in a crisis described as greater than that even posed by the Second World War, The Daily Telegraph has reported. The British Beer and Pub Association (BBPA) said on Sunday that 12,000 pubs in the UK out of 47,000 may never reopen following lockdowns announced by Westminster and by the devolved governments". (Source: Propel).

6.10 The medium to long term effects of Covid-19 are unknown and it is possible the pandemic will accelerate pub closures across the country. In my view, any pubs that closed prior to February 2020 due to poor trade including the Ascot Arms, are now less likely to re-open for existing use due to the impact of the Covid-19 pandemic.

7.00 Trading History of the Pub

7.01 The property is owned by Star Pubs & Bars, a national public house operator (which forms part of Heineken). They are well known for investing heavily in their pub estate. They carried out a £250,000 refurbishment on the Ascot Arms in June 2015 and I refer to Appendix 3. **(Appendix 3 – Ascot Arms Press Release)**

7.02 The Ascot Arms was previously operated as a tenanted, community pub that served traditional pub food and offered sports viewing. Prior to closure, it was let under a temporary management agreement at a zero rent but the turnover wasn't enough to make the pub viable.

7.03 The pub has had a chequered trading history with 6 tenants over the past circa 5 years that failed to make it work. I have summarised each tenant's occupation dates in the table below:

	Occupied	Vacated
Tenant 1	June 2015	January 2017
Tenant 2	January 2017	November 2017
Tenant 3	December 2017	Early 2018
Tenant 4	June 2018	August 2018
Tenant 5	September 2018	April 2019
Tenant 6	May 2019	July 2019

7.04 There has been a succession of tenants at the pub in the recent past that failed to make it viable.

7.05 Set out below is the volume history for the pub:

Year	Barrelage (1 barrel = 288 pints)
2016	171
2017	136
2018	69
2019 – part year	39

7.06 The pub has a very poor trading history. Barrelage has declined by circa 60% from 2016 until 2018.

8.00 Marketing Campaign

8.01 James A Baker Marketing Campaign

In January 2020, James A Baker were instructed to market the freehold interest of the Ascot Arms at a guide price of £795,000. The Sales Particulars are included in Appendix 4. The marketing strategy was to target local, regional and national licensed trade operators, investors and developers.

8.02 A comprehensive full and open marketing campaign was carried out including:

- Inclusion on Rightmove Commercial (which included 23,689 summary views and 1,953 Sales Details views).
- Inclusion on the James A Baker website (which included 365 property views).
- Advertising on Zoopla, EGi and the Morning Advertiser websites.
- Preparation and circulation of Sales Particulars.
- Targeted mailshot to an extensive contact list of local, regional and national operators, investors, developers and registered applicants.
- Erection of a 'For Sale' Board.

(Appendix 4 – James A Baker Sales Particulars)

8.03 James A Baker undertook a total of 25 viewings throughout the marketing period and due to a high level of interest, were instructed to invite Best and Final offers.

8.04 Best and Final offers resulted in 14 offers:

- Party 1 - An unconditional and conditional offer higher than the guide price for alternate use. Proof of funding was provided.
- Party 2 – A conditional offer higher than the guide price for alternate use. No proof of funding was provided.
- Party 3 – A conditional offer higher than the guide price for alternate use. Proof of funding was provided.
- Party 4 – A conditional offer higher than the guide price for alternate use. No proof of funding was provided.
- Party 5 – An unconditional offer higher than the guide price for alternate use. Proof of funding was provided.

- Party 6 – A conditional offer higher than the guide price for alternate use. No proof of funding was provided.
- Party 7 – An unconditional offer around the guide price for alternative use. No proof of funding was provided.
- Party 8 – An unconditional and conditional offer higher than the guide price for alternate use. Proof of funding was provided.
- Party 9 - An unconditional offer below the guide price for alternate use. Proof of funding was provided.
- Party 10 – An unconditional offer below the guide price for alternative use. Proof of funding was provided.
- Party 11 - An unconditional offer significantly below the guide price for alternate use. Proof of funding was provided.
- Party 12 – An unconditional offer below the guide price for alternative use. No proof of funding was provided.
- Party 13 - An unconditional offer significantly below the guide price for alternative use. Proof of funding was provided.
- Party 14 - An unconditional offer significantly below the guide price for licensed use. No proof of funding was provided.

8.05 Interest was predominantly received for alternate use and no funded offers were received for licensed use. James A Baker did not receive any offers from public house operators. The trading format and location of the pub clearly does not meet public house operators' requirements.

8.06 The property has been extensively marketed since January 2020 and is currently under offer to Willowbrook Healthcare Developments Ltd.

8.07 Marketing Campaign Conclusion

James A Baker carried out an extensive marketing campaign for the subject property on a freehold basis. Interest was predominantly received for alternate use and James A Baker did not receive any offers from public house operators.

9.00 Viability of Current Pub/Conclusion

9.01 In my opinion the Ascot Arms is not viable as a public house and the principle reasons are as follows:

- (a) The property has had a comprehensive marketing campaign on a freehold basis and James A Baker did not receive any offers from public house operators.
- (b) The extensive marketing campaign demonstrates that the trading format and location of the pub does not meet public house operators' requirements. There is also a substantial amount of licensed competition in the locality which I would have expected to deter interest for public house use.
- (c) A commercial decision by Star Pubs & Bars, a national public house operator (who invested £250,000 in the pub in 2015) to dispose of the site following a thorough evaluation of the business, suggests it is not a viable operation.
- (d) The pub has a poor trading history despite recent investment and there has been a succession of tenants in the recent past that failed to make the pub work.
- (e) The loss of this pub would not be detrimental to the local area due to the vast amount of other public houses located nearby.

10.00 Declaration

I, Jack Samuel Sinclair, confirm the following:

- 10.01 That my report includes all the facts which I regard as being relevant to the opinions which I have expressed and that attention has been drawn to any matter which would affect the validity of these opinions.
- 10.02 That my duty as an Expert Witness overrides any duty to those instructing or paying me, that I have understood this duty and complied with it giving my evidence impartially and objectively, and that I will continue to comply with the duty as required.
- 10.03 That my report complies with the requirements of the Royal Institution of Chartered Surveyors as stated in the Surveyors Acting As An Expert Witness Practice Statement.

Signed 

Date: 10th February 2021

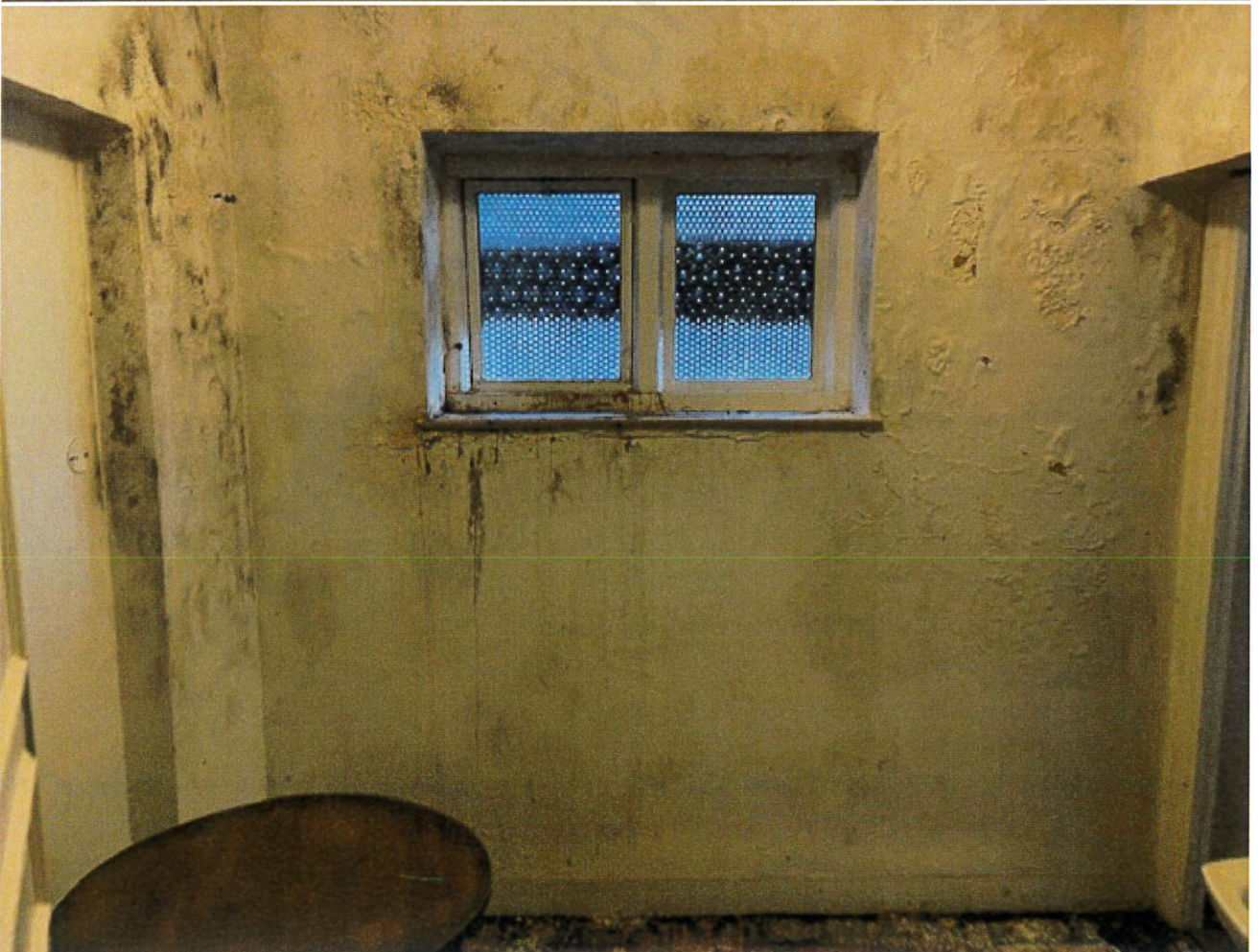
Jack Samuel Sinclair BSc (Hons) MRICS
RICS Registered Valuer

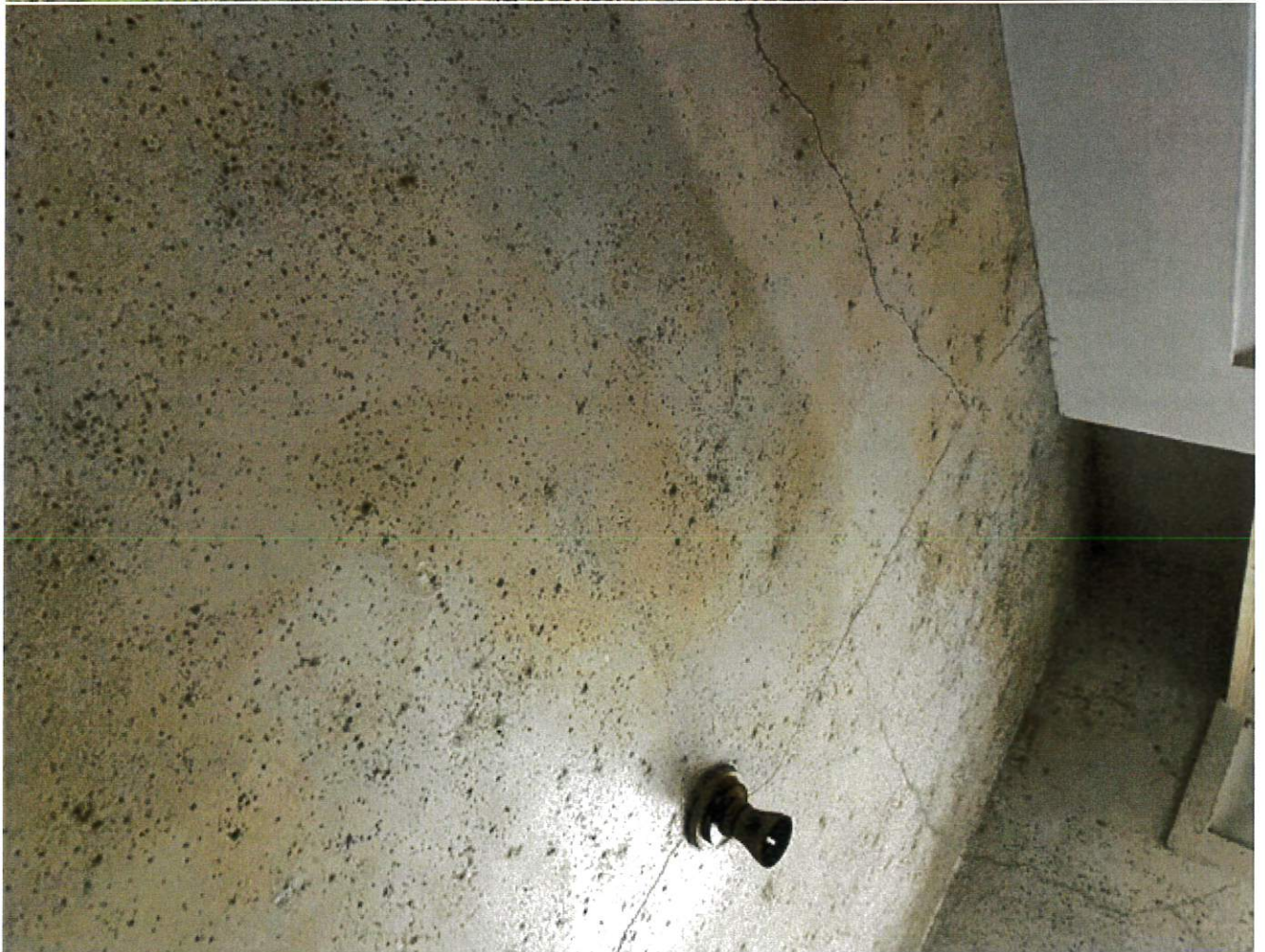
APPENDIX 1

IMAGES OF THE PROPERTY

Gravesham Borough Council









APPENDIX 2

MAP OF LICENSED COMPETITION

Gravesham Borough Council

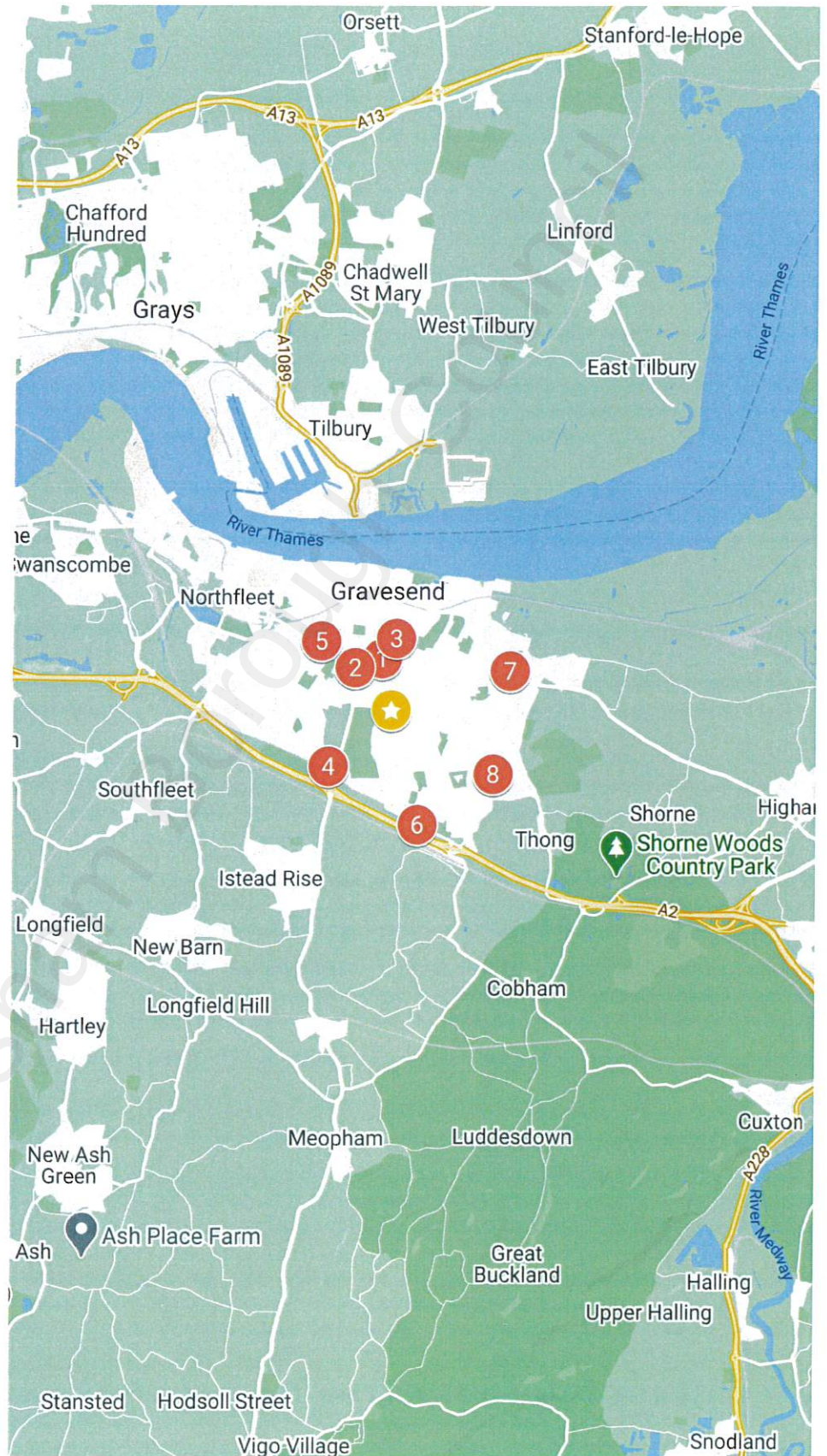
Licensed Competition

Properties

- 1 Prince of Orange, 1 Old Road East, Gravesend, DA12 1NJ
- 2 The Woodlands Beefeater, Wrotham Road, Gravesend, DA11 7LF
- 3 The Windmill Tavern, 45 Shrubbery Road, Gravesend, DA12 1JW
- 4 Toby Carvery, Coldharbour Road, Northfleet, Gravesend, DA11 8AB
- 5 The Pelham Arms, 189 Old Road West, Gravesend, DA11 0LT
- 6 The George, Hever Court Road, Singlewell, Gravesend, DA12 5UQ
- 7 Harvester, Rochester Road, Chalk, Gravesend, DA12 4TN
- 8 Gravesend Boat, Leander Drive, Gravesend, DA12 4NQ

Subject Property

- ★ Ascot Arms



APPENDIX 3

ASCOT ARMS PRESS RELEASE

Gravesham Borough Council

Thousands of pounds spent on new look for Ascot Arms, Gravesend

 KENT TRAVEL NEWS

SIGN ME UP FOR NEWS ALERTS 

Published: 11:00, 01 June 2015



There was a time when all pubs were at the centre of community life, and the race is on to restore one town bar to such former glory.

Major refurbishment is under way at the Ascot Arms in Central Avenue, Gravesend, at a cost of £250,000, and it is hoped punters will be pleasantly surprised by the more unusual fixtures and fittings included in the revamp.

For among the traditional pumps, pints and packets of peanuts, customers will find a garden centre, organic health food shop and a petting zoo with guinea pigs, chickens and its very own pony.



Simone Vincenzi and Mihaly Herzceg

Taking up the reins when the pub reopens next month will be Simone Vincenzi and Mihaly Herczeg.

Simone, 51, said: "We wanted a pub that could be at the centre of its community and the Ascot Arms was perfect.

"As the only local in the area, it has masses of potential. All it needed was investment and a lot of TLC."

Such investment has come from Star Pubs & Bars, part of the Heineken chain, and will see the pub transformed both inside and out.



Thousands of pounds are being spent on the Ascot Arms

Unusual additions aside, there will also be a dining area, sofas, coffee bar, landscaped garden and children's play equipment.

Simone and Mihaly, 26, already run a Hungarian restaurant and two health food and plant shops in south east London, and hope to bring a taste of these to the pub to complement British menu favourites and cask ale.

The pair also plan a host of activities including karaoke, quiz nights and live music festivals.

"We want the Ascot Arms to be an asset for Gravesend," added Simone. "A pub which the community can be proud of and where all feel welcome."

The refurbishment is expected to create at least six new jobs, including full and part-time bar staff, a chef and manager.

Anyone interested can email info@digthisnursery.co.uk

Gravesend Borough Council

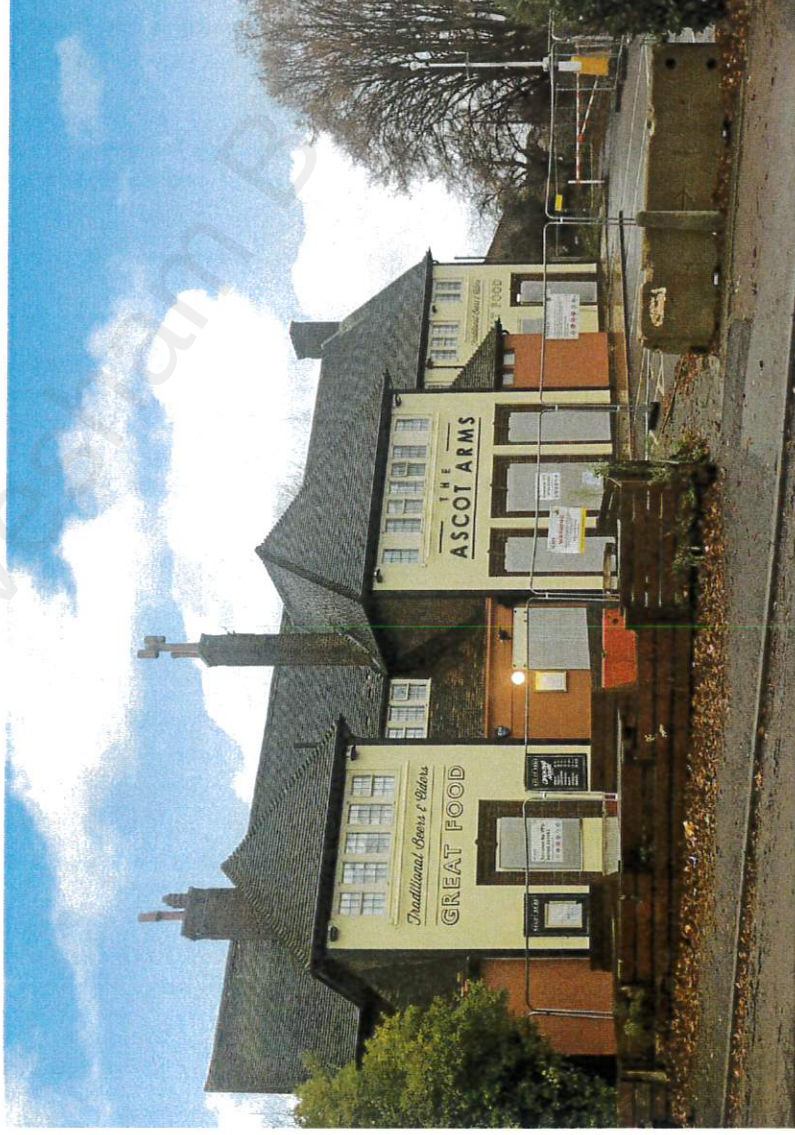
APPENDIX 4

JAMES A BAKER SALES PARTICULARS

Gravesham Borough Council

Ascot Arms

Central Avenue, Gravesend, Kent, DA12 5AW



For Sale Freehold
Guide Price: £795,000 plus VAT
Sole Selling Agent

- Prominent position fronting Central Avenue
- Excellent commuter and travel facilities with direct links into London St Pancras International in 22 minutes
- Benefits from a large trade garden
- Off street car parking for circa 14 vehicles including disabled
- Alternate use opportunity subject to obtaining the necessary permissions
- Gross Internal Floor Area of approximately 10,533 square feet
- Plot size of c. 1.08 acres

Ascot Arms

Central Avenue, Gravesend, Kent, DA12 5AW

For Sale Freehold
Guide Price: £795,000 plus VAT
Sole Selling Agent



Location

Gravesend is an ancient town in the northwest of Kent on the south bank of the Thames Estuary situated 21 miles south east of Charing Cross with a population of circa 15,000 residents. The town benefits from excellent commuter and travel facilities with Gravesend Station 1.4 miles distant providing direct links into London St Pancras International in 22 minutes. The Ascot Arms is surrounded by predominantly residential dwellings and close by Whitehill Primary School and Mid Kent golf club.

Accommodation

The Ascot Arms is a two storey detached property of rendered brick construction beneath pitched tiled roofs. The ground floor trading area is styled traditionally throughout and comprises a large open plan bar/restaurant for circa 90 covers with an open fire place and a separate function room benefiting from its own bar and W/C's. Ancillary trade area includes a large commercial kitchen with ample storage, customer W/C's, utility room and beer cool stores located at basement level. The first floor comprises three double bedrooms, single bedroom, commercial kitchen, living room, private kitchen, office, family bathroom and separate toilet. The second floor comprises two double bedrooms, single bedroom with en-suite and family bathroom. The property benefits from separate access to the side of the property giving access to the basement, first and second floors.

Externally the property benefits from a large rear trade garden for circa 34 covers with a smoking solution, front trade area for circa 18 covers and a private garden with substation. There is car parking to the front and side for circa 14 vehicles including disabled.

Please note the property is not listed and falls outside the conservation area and flood zone, however, located within the Special Protection Area.

The property has a Gross Internal floor area of approximately 10,533 sq ft and sits on a plot size of c. 1.08 acres.

The Ascot Arms offers considerable scope for local and regional pub operators and restaurateurs. The property has potential scope for a range of uses, subject to granting of relevant permissions and will likely be of interest to local developers, investors and builders.



020 7557 7844

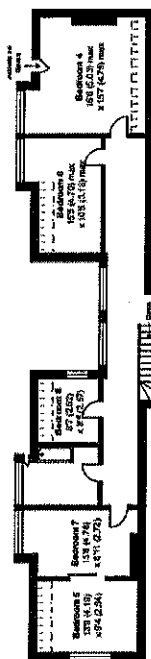
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london@jamesabaker.co.uk www.jamesabaker.co.uk

Ascot Arms

Central Avenue, Gravesend, Kent, DA12 5AW

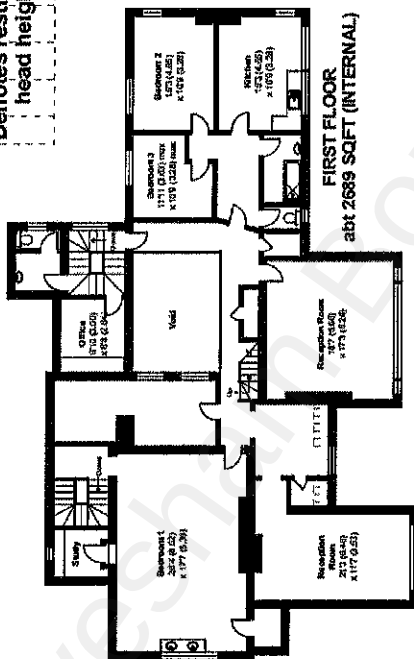
For Sale Freehold
Guide Price: £795,000 plus VAT
Sole Selling Agent



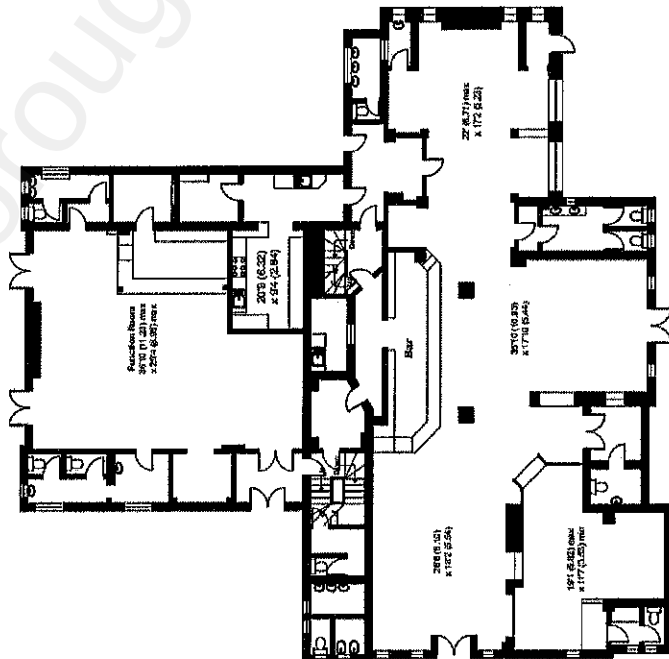


SECOND FLOOR
abt 1132 SQFT (INTERNAL)

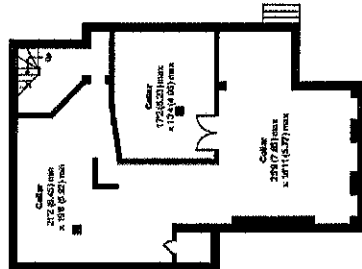
Denotes restricted
head height



FIRST FLOOR
abt 2689 SQFT (INTERNAL)



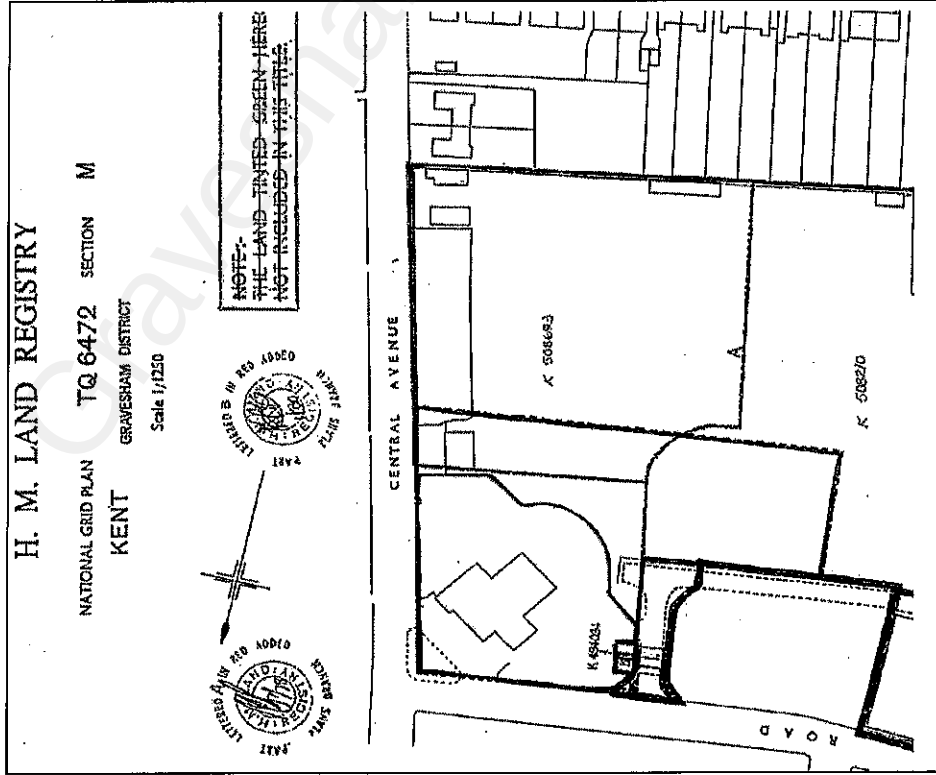
GROUND FLOOR
abt 5117 SQFT (INTERNAL)



Ascot Arms

Central Avenue, Gravesend, Kent, DA12 5AW

For Sale Freehold
Guide Price: £795,000 plus VAT
Sole Selling Agent



General Information

Rating

The current Rateable Value is assessed at £22,750.

Licences

It is understood that the property currently possesses a Premises Licence. Further details are available upon request.

Services

We are verbally advised that all mains services are connected to the property.

Trading

The premises are currently closed for trading.

Tenure

The property is being sold freehold with vacant possession.

Fixtures and Fittings

The sale of the property will not include trade fixtures and fittings which are in the absolute ownership of the Seller and in situ on completion. Any branded or leased items and any items owned by third parties will be excluded.

Energy Performance Certificate

The property has an EPC rating of C. A copy of the certificate is available upon request.

VAT

VAT will be applicable on the sale of this property.



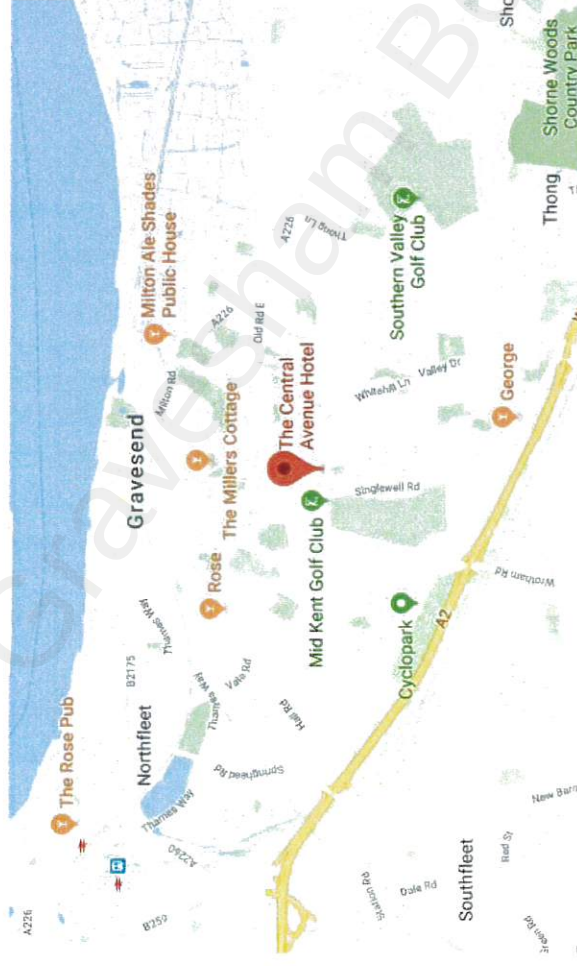
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Ascot Arms

Central Avenue, Gravesend, Kent, DA12 5AW

For Sale Freehold
Guide Price: £795,000 plus VAT
Sole Selling Agent



Agent Details

For further details please contact



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Disclaimer

JAMES A BAKER for themselves and for the vendors of this property, whose agents they are, give notice that:

1. The particulars are set out as a general outline only for the guidance of intended purchasers and do not constitute part of an offer or contract.
2. Descriptions, dimensions, plans, reference to condition and planning permission for use and occupation and other details are given without responsibility and intending purchasers 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 item.
3. It is emphasized that in these particulars of sale, items of furniture, fixtures, fittings and equipment mentioned are for descriptive purposes only and do not necessarily form part of the trade inventory referred to above.
4. No person in the employment of James A Baker has any authority to make or give representation or warranty whatsoever in relation to this property.

www.jamesabaker.co.uk



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