

# Buying or Leasing



## a Pub

**Stephen Taylor, MD, Guy Simmonds**

One of the attractions of buying and running your own pub is that you have total freedom to choose the location. Moving into self-employment frees you from the constraints of your employer's location dictating where you live, and so the question becomes: given a blank canvas, where would you *like* to live, and where would you like to buy or lease a pub?

For many, such a question conjures up memories of summer holidays and the sunshine, glorious beaches, beautiful countryside and the relaxed way-of-life that typifies the south west peninsular of the UK. The counties of Cornwall, Devon and Dorset immediately summon up such thoughts and are proving to be an irresistible location for those searching for their ideal pub business. The southern counties of Bristol, Gloucestershire, Somerset, Dorset, Hampshire, Wiltshire etc. are enormously popular too. Demand at Guy Simmonds, is extremely high in these areas, with sales up approx. 26% when compared with the same period of last year, and registrations from purchasers up approx. 45%. The caveat applies to our vendor clients, that businesses need to be correctly valued relating to turnover/profits, and leaseholds should have reasonable annual rentals applied.

Do not imagine this is a bad case of "roses round the door syndrome". There are some sound business reasons for choosing this area. In days gone by there was the danger that assessment of business potential could be upset by the seasonality of the tourist economy. But today, websites such as [www.visitbritain.org](http://www.visitbritain.org) give a wealth of data about tourism numbers, spending patterns etc. which is gold-dust to budding licensed trade entrepreneurs. One really couldn't wish for a more powerful research tool than Google.

Similarly, the availability of internet marketing provides unlimited opportunities for a pub to show its location, setting, facilities, menu, and ambience to potentially a world-wide audience. How things have changed since the days of a "Vacancy" sign hung outside a pub! There is a growing trend for 'staycations', second and third holidays, and mini-breaks – all of which give the opportunity for a pub even with just one letting bedroom to put circa £500 per week onto the takings. Letting revenue of course produces an extremely high gross profit, in addition to the increased food and drink spend, generated from the 'captive audience'.



**The Lord Nelson, Winterslow**

We are seeing considerable interest in both freehold and leasehold licensed property in the region. Recent sales include The Waldegrave Arms in East Harptree, Somerset (a tied leasehold), and The Lord Nelson at Winterslow, Salisbury (a free-of-tie leasehold).



**The Waldegrave Arms,  
East Harptree, Somerset**

Also sold, was The Coombe Barton Inn at Crackington Haven, near Bude, Cornwall. This fabulous beach-side inn and hotel produces turnover of £640,000 per annum and was sold on a newly-created 10 year free-of-tie lease. The Coombe Barton Inn is a typical example of where Guy Simmonds can assist freeholders/retiring publicans in the creation of a free-of-tie lease producing an attractive up-front lease premium combined with an ongoing rental income as an alternative to the outright sale of the freehold.



Guy Simmonds' speciality is advising you upon creating these highly desirable free-of-tie leases at pragmatic rentals. Consequently, if you are a prospective vendor looking to sell your pub business, we offer you a free consultation and advise upon the upfront 'cash premium', plus on-going annual rental – whilst retaining your appreciating freehold property for investment. Similarly, if you wish to buy a desirable free-of-tie lease, contact us to find out the latest opportunities on the market with Guy Simmonds.

Many of our prospective purchasers are looking to buy or lease 'that' quintessentially English pub with established or potential catering custom, and ideally with letting accommodation. Business plans invariably centre around developing a formula to capitalise on the very busy summer months whilst appealing to local trade which is the cornerstone of any good pub's character. At Guy Simmonds we are experiencing a buoyant market for correctly valued freehold and leasehold businesses and would be pleased to offer expert advice and free valuation, for venders planning their exit strategy.



**Ref: 7578. The Sawmill Inn, Watermouth, North Devon**



**Ref: 7591 The Musketeer, Pennington, Hampshire**



**Ref: 7588 The Golden Pheasant Lower Farringdon, Hampshire**

**These 3 pubs are new on the market with us.**