

Corporate Redundancies Ensure Buoyant Midlands Licensed Property Market

Stephen Taylor MD, of Guy Simmonds reports that the company has enjoyed strong sales in the Midlands for the past 35 years. "This year despite the adverse economic climate our sales have remained buoyant. We are particularly seeing many new entrants seeking to enter the trade as a result of redundancies, which unfortunately the Midlands has been the victim of – due to the dependency of the motor, potteries, food and manufacturing industries. Our state of the art award-winning training centre is of course strategically located in Melbourne, the heart of the Midlands and is attracting newcomers to the licensed trade emanating from both Midland and national job losses."

Despite the adverse national publicity relating to the **tied lease model**, we are delighted to announce that we are still finding this sector of the market reasonably buoyant, since this option offers a low cost entry to the trade for these newcomers. However, the caveat to successfully re-assigning these leases usually includes:

- Realistic pricing strictly relating to actual net profits achieved
- Full availability of verified trading accounts
- The business should ideally be open and trading profitably
- A desirable area and attractive lifestyle opportunity are almost prerequisites

With regards to the **Freehold** market, the Midlands and the national picture has obviously been affected by the revised lending criteria of the lending sources. However, in view of this, the market remains resilient – providing again the business is trading profitably and valued related to actual net profits achieved. We are also achieving on-going success, offering our auction route to sale, as an alternative to the traditional open market option.

Guy Simmonds have also specialised for the last 35 years in creating **new free of tie leases** on behalf of Freeholders. Guy Simmonds are uniquely qualified to offer advice in this specialist field since we actually own several Freehold freehouses ourselves and consequently are able not only to advise upon the creation of these leases, but also offer ongoing advice to help ensure the longevity and success of each lease. Both parties thereby benefit, with the lessees enjoying a profitable living from their endeavours, based upon a realistic rent, with the Freeholder receiving an attractive and sustainable return on their investment. These **free of tie leases** are extremely desirable and Guy Simmonds have a waiting list of applicants emanating from their corporate redundancy re-training courses.

Interestingly, Guy Simmonds are currently in negotiations with a **Midlands Based Pub Co**, with regards to advising upon the creation of new desirable **free of tie leases**, (at realistic annual rents) instead of the previously favoured tied model. We do think this may be the exciting future for the licensed trade which we are delighted to be part of, and to offer our innovative and successful alternative to the tied model.