



Extract of Address to Delegates Attending Corporate Redundancy Seminar – South East

At Guy Simmonds, our national research showed that whilst London and the South East were undoubtedly affected by the recession, demand for quality and profitable units were still healthy albeit with reduced volumes. At Guy Simmonds we are finding that demand since April this year (quarters 2 and 3) has been extremely buoyant in this area, to such an extent that we are currently seeking to recruit additional valuers and negotiators. Currently at Guy Simmonds DEMAND for realistically priced, profitable, attractive lifestyle leasehold and freehold businesses, in the South East is actually EXCEEDING SUPPLY. Undoubtedly we are finding that this area is leading the recovery. Our research shows as a national agent, established over 35 years, that this modest recovery is following the similar historic ripple effect, spreading to other areas of the country, that occurred in the middle to late 1990's. Demand is emanating from our corporate redundancy re-training programmes, fuelled by redundancies in the corporate and financial sectors. We expect this to increase over the next couple of years as the austerity measures and public sector redundancies take effect.

We are finding the affluent areas of the South East are faring best, particularly the 'commuter-belts'. Our research shows that in many cases one of the operating partners, continues to commute into the city to continue their career, whilst the other partner embarks upon a change of career in running the licensed business.

Marketing activity is currently approximately 50% up from 1 year ago, with demand still on the increase on a month by month basis.

The Freehouse sector is also enjoying a renaissance, with our lending sources able to fund good quality applicants who we are finding have considerable cash input of their own to invest in the business and property.

Indeed we are just on the point of exchanging contracts for the sale of a freehouse/hotel in Hampshire at a figure of £1.9 million. The Leasehold market is also reasonably buoyant providing a correct valuation criteria is adhered to, strictly relating to profits achieved.

The caveat however, applying in these cautious times, is that businesses need to be correctly priced, relating to actual net profits achieved. Current accounts and up-to-date VAT returns must be available immediately to satisfy the current breed of savvy private purchasers, entrepreneurs and their entourage of advisors, accountants etc. These are the most prevalent and active purchasers in the market today. The previous boom years where ridiculous claims of "potential" often resulted in a sale are now firmly behind us - thank goodness. We feel this is a far better and sustainable situation and should be welcomed for the good of the licensed trade. This caution, realism and period of austerity will now prevail for the next decade, with realistic and sensible selling prices providing attractive financial returns and life-styles for today's shrewd private purchasers and entrepreneurs. It is no coincidence that whilst correctly valued, life-style, profitable businesses are selling well – there are thousands of over-priced, often unviable businesses stagnating on agents and Pub Co websites.

Our lending associates are able to secure good rates again, providing the valuation criteria is correct and the applicants are of good quality and have a substantial cash input of their own.

Whilst the austerity measures, imposed upon the country and public sector by the coalition government will undoubtedly begin to take effect next year, we are extremely optimistic that correctly valued, profitable businesses will continue to sell to shrewd newcomers to the trade.



An example of a quality Freehold Country Inn & Restaurant for sale with Guy Simmonds.

The superb Old School House in affluent Ockley, Nr Dorking, Surrey. Lovely trading areas with 7 bedroomed living accommodation and excellent site. T/o is circa £800,000, 70% food with an asking price of £1,200,000 Freehold.



Leasehold sales are buoyant at Guy Simmonds, sales are approx 50% up this year in the South.

This example just sold by Guy Simmonds is The Elsted Inn, Midhurst, West Sussex. This stunning Country Inn with letting rooms is situated in the South Downs Countryside.

T/o is circa £220,000 with excellent GP and a favourable rent of £25,000. The business sold off an asking price of £49,950 for the leasehold interest.



New to the market with Guy Simmonds is this lovely example of a highly desirable 19th Century Village Leasehold Inn: The Volunteer, Theale, Berkshire.

This prosperous and sought-after location results in excellent sales for this inn in excess of £500,000 per annum with a recon NET profit of circa £100,000 per annum. The inn has impressive trading areas and 4 bedroomed family accommodation.

Asking price is a very realistic £79,500 for the highly profitable leasehold interest.