Fleurets
Leisure Property Specialists

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Sold for Alternative Uses

Survey of “Bottom End” Freehold Pubs sold by Fleurets in 2011

One Stop

Funeral Parlour

White Stuff – Retail

Pizza Hut & Ladbrokes

How many pubs that are sold stay as pubs? How many are converted for other uses? What are the most common alternative uses?

Fleurets sold a similar number of Freehold pubs in the year to 30th September 2011 as we did in the previous year. The majority of these are categorised as Bottom End Freehold sales, which are broadly defined as properties sold without accounts, often closed, vandalised or operational under temporary management or temporary tenant. Primarily Pub Company but also Administration sales and occasional private sales. Invariably they reflect some form of forced sale situation.

Some analysis of the sales reveals what is happening to these properties after completion.

The headlines:

- 54% of ALL Bottom End Freehold pub sales were for ALTERNATIVE USE
- Increased percentage of conversion from 50% in 2010 and 42% in 2009
- Sale Prices ranged from £0 to £800,000
- 79% of those sold for Alternative Use were < £250,000
- 46% of Bottom End Pub sales STAYED AS PUBS

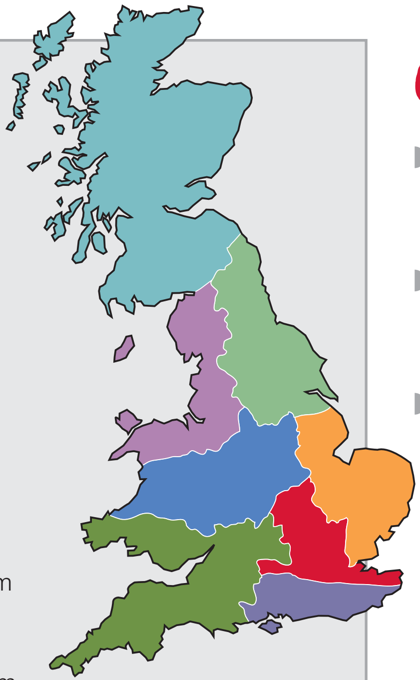
Most common alternative uses

The intended use of all **“Bottom End”** Freehold Pub sales by Fleurets in the year to 30th September 2011 have been considered. Out of those sold for non-pub use the most popular end uses were as follows:

47% Residential – down from 50%
26% Retail – up from 14%
10% Restaurant – down from 13%
7% Offices – down from 10%
2% Convenience Store – no change
2% Dentists/Doctors/Vets etc – up from 1%
2% Care Home – no change
4% Others including:
- Church
- Workshop
- Builders Yard
- Funeral Director
- Storage
- Community Centre
- Bakery

- A higher proportion of sales in the north were for Alternative Use at 57% compared to 47% in the south.
- 79% of sales nationally for Alternative Use were at less than £250,000.
- The National Average sale prices of pubs sold for Alternative Use was £180,457 which was 4.8% lower than the national average sale price for continued Pub use.
- Alternative Use sale prices in the north averaged £149,141 compared with £256,311 in the south.
- The vast majority of sales for Alternative Uses were sold in unconditional deals without a finance facility.
- Sales conditional on obtaining planning permission were limited in number and more often than not were for the higher value sales and for the more specialised uses eg Care Homes, and Convenience Stores.

Fleurets regions



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Our areas of expertise

- **Buying & Selling** – our experienced team together with our database and website give you the best chance of achieving a sale.
- **Valuations** – we can help if you are purchasing a licensed property, considering refinance or you need an independent valuation for other purposes.
- **Rating** – always consider where you can save money and increase profits. Rates can be one of the highest outgoings of a business. One phone call to Fleurets expert rating team can let you know if you are paying too much.
- **Landlord & Tenant** – Fleurets is the market leader in Rent Review negotiations across hotels, restaurants, pubs and other leisure sectors. Our valuers act for both landlords & tenants.
- **Viability Studies** – considering a change of use? We advise owners, developers and local authorities with regard to business viability.
- **Expert Witness** – our Chartered Surveyors are frequently appointed as Expert Witness in a range of disputes, including the preparation of evidence for use at High Court, Lands Tribunal and Arbitration.
- **Taxation, CPO, Consultancy and Litigation** – specialist advice if required.
- **Market Intelligence** – we can help keep you updated on the main weekly news items in our industry via our Newswire email. Register now with your local office.
- **Investment** – our expertise includes the sale and valuation of investment properties.

Fleurets **On market** and **Hotel review** magazines are published throughout the year and not only feature properties for sale but articles, which we hope you will find both informative and useful.

Fleurets publish a survey of sales prices and rental statistics. All of this is free of charge and demonstrates that Fleurets are actively involved in the current market ensuring we are at the forefront of market activity and are able to offer clients sound advice.

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