

# Fleurets



a fresh approach

## **Sales Stats – Regional Comments – London**

London and the Home Counties have traditionally enjoyed the most robust regional economy, especially evident when you consider unemployment levels and the lower fluctuation in residential values.

### **What does this mean for pub sales?**

Well, with regard to freehold freehouses the better operations have simply not come to the market as owners have decided to 'weather the storm' rather than sell for a discounted price. We have therefore seen a limited supply of better quality units, which has dramatically reduced the average sale price to just under 50% of figures achieved two years ago.

We can attribute this dramatic drop to the limited supply rather than the collapse of freehold values in Central London and Home Counties.

We are however seeing a good supply of bottom end disposals with availability being more than for many years and the vast majority being sold for alternative use. Again the relatively strong residential values have kept demand high for such disposals.

The leasehold market has seen the greatest polarisation in values. More high profile ex-managed houses have been sold, which have still achieved good premiums and a very strong demand from the market. This demand very quickly drops for the average leasehold units, which is most evident when you consider the average sale being down from 24% last year to 12% this year as a multiple of turnover.