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Public House Viability Statement

for

The Richmond Arms Public House

224 London Road

Bognor Regis

West Sussex PO21 1UA

for

Counter Point Properties Ltd



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The Stables Keaters Barn

Bury West Sussex RH201PA



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General Introduction

The Richmond Arms

The Richmond Arms is a former 'Railway Crossing' Public House now by-passed by the new road, Hotham Way.



For many years the 'Public House' has been in constant decline due to many reasons. Similarly, The Richmond Arms is a casualty of declining trade, changes in leisure habits and in The Richmond Arms instance, the road realignment of Hotham Way.

In the past, because of a series of government policies, including deliberate suppression in the early years of the twentieth century, and more recently, modern trends with town centre bars and gastro pubs together with outlets from supermarkets, farm shops and petrol stations are now able to compete to sell cut price alcohol. Public Houses have to offer more to survive.

There has been a slow-down in the decline of pub closures but this 'improvement' in the market, does not apply equally across all parts of the licensed property sector and depends on the operation, size and location of each premises.

In 2016, there was, and continues to be, a demand for large, good quality city centre and larger town centre pubs, both from national operators, traditional free trade buyers and private owner / occupier publicans. The other main growth area is the family food pub/ restaurant sector. The family food concepts being developed, mainly by national companies, are food led and depend more on high visibility main road locations with large car parking areas. The Richmond Arms has none of these.

Many new outlets being developed and operated by free trade operators in 2016 / 2017 have almost exclusively been contemporary in design and fit out, with an emphasis on the sale of premium and craft products, as well as food, to drive higher gross profit margins. These sites therefore tend to be located in areas with high demographics in order to maximise pricing and margin potential.

We would refer the reader to Paragraph 70 of the NPPF which states that planning policies and decisions should guard against the unnecessary loss of valued facilities and services particularly where this would reduce the community's ability to meet its day to day needs.

Small Public Houses like The Richmond Arms and The Prince of Wales, even well run, are closing, down through lack of trade as there is simply not enough trade to go around. Whether this is because the area is 'over pubbed', the premises too small, or the catchment

area not large enough. Independent experts state only the successful, well located and those having any architectural merit will be the only public houses to hold their own and survive.

Supermarket and cut-price competition are a contributing factor. Similar non-profitable pubs in these categories are being sold off, particularly by pub companies, many being acquired for various alternative uses including residential redevelopment.



This Viability Statement clearly demonstrates the reasons why redevelopment of the Richmond Arms premises is necessary. Leisure trends have changed and facilities, better positioned and suited, will confirm the loss of the Richmond Arms Public House will not be a detriment to the local area.

In dealing with Planning Viability Statements on Public Houses, many surveyors and valuers now follow the format of the Public House Viability Test produced by CAMRA as this sets out the main considerations when assessing the continuing viability of a public house business.

In order to fully demonstrate the Richmond Arms Public House is not viable, we have used the CAMRA Public House Viability Test.

CAMRA Notes: "The viability test does not seek to protect the continued existence of each and every pub in the land. Times and circumstances do change, and some pubs will find themselves struggling to continue as a going concern."

The CAMRA Public House Viability Test adopts three headings:

1. Assessing Trade Potential – population density, visitor potential, competition, flexibility of the site, parking, public transport and multiple use(s)?
2. Competition Case Studies – what are the factors contributing to the success / failure of profitable public houses in the area?
3. The Business at Present – how has the business been run and what efforts have been made to achieve profitability?

1. Assessing Trade Potential & Competition

1.01 Population Density and location of the premises.

The Richmond Arms is part of South Bersted, cut off by the new road of Hotham Way and lies in the northern corner of the Bognor Regis town residential area but has reasonable household density.

1.02 The Catchment Area.

The catchment area, while of a reasonable density is sandwiched between a multi three road junction and immediately backs on to the railway embankment. It is isolated in a lower price value area of Bognor Regis and too far from the main town centre to benefit from the 'town centre' trade.

1.03 Developments or any future enhancements which could affect value?

There are a number of developments proposed within the Town Centre the existing and proposed upgraded facilities in Hotham Park, all of which provide additional competition to The Richmond Arms.

1.03 Competition.

Immediate competition previously came from across Hotham Way at The Prince of Wales Public House and although situated in a better residential area, these premises, despite having a 4.5 to 5 Star rating on Trip Advisor, has recently closed, emphasising the reality of changing leisure trends.

1.04 Other daytime Trade.

There is little or no trade coming from any nearby industry or commercial operations.

2. Visitor Potential

- 2.01 Is the pub well visited, in a popular location, a picturesque town or village or a canal / river or long-distance pathway / cycle route?

The Richmond Arms has none of these advantages.

- 2.02 Does the pub appeal to groups who drive out to pubs?

No.

- 2.03 Is Tourism encouraged in this area or has the pub ever been included in any Visitor Guide?

We are unaware of the tourist guide information, however, Butlins is a self-contained entertainment area, contributing very little to Bognor Regis or environs and, within 500 metres, Hotham Park also has a huge visitor draw. The Richmond Arms presents nothing which would attract additional visitors. See 1.03

- 2.04 Does the Pub act as a focus for community activities, sports teams, social groups, local societies community meetings etc?

No.



3.0 Flexibility of the Site

3.01 Does the pub have any unused rooms or out buildings which could be brought into use for additional income?

The upper parts are currently used for stand-alone residential accommodation for the landlord family.

3.02 Car Park & Public Transport

There is no car parking. Unsuitable roadside parking on a busy three road junction is the only available parking. Network Rail are unwilling to release any land adjoining main line rail tracks. There are bus stops in the vicinity of the premises and taxi services in the town centre. The Town Centre and Main line Railway Station is approximately 15 mins. walk but at a distance which does not benefit or enhances the pub trade.

3.03 Is the site large enough for building extensions?

The site fronts Richmond Road North and London Road and backs on to the railway embankment, (see photo of rear elevation page 12), and has limited area for expansion.

3.04 Past Planning Applications

We cannot locate any previous planning applications since 1987.

3.05 Has the Pub been well maintained?

Previously the pub was reasonably well maintained but now in very poor condition and does not comply with the MEPS (MEES) insulation standards or is viable to carry out the extensive works necessary to bring the facilities up to modern standards. See 3.05 i – x. below

Extract from RICS Manual April 2018: The Minimum Energy Efficiency Standard (MEES) which came into force in England and Wales on 1 April 2018, applies to private rented residential and non-domestic property and is aimed at encouraging landlords and property owners to improve the energy efficiency of their properties by a restriction on the granting and continuation of existing tenancies where the property has an Energy Performance Certificate Rating of F and G.

The building itself is in an average state of structural repair.

The interior of the pub is in poor condition and a new lessee / or freeholder would require the following before opening:

- i. full refurbishment and redecoration insulation to upgrade to MEES and MEPS standards to include first floor residential accommodation.

- ii. complete electrical re-wire.
- iii. new carpets and flooring.
- iv. fire safety and means of escape works.
- v. replacement male female and disabled WCs.
- vi. new kitchen – food preparation is currently not permitted in the kitchen due to hygiene issues.
- vii. a full refit to the cellar.
- viii. the rear 'garden' currently is being used as a dumping area.
- ix. the paving area to front/side of the pub has old tables and old cars are frequently parked/dumped at the side.
- x. Note: The rear of the building backs straight on to the railway line and as a result maintenance is extremely difficult.

4.0 Multiple Use

- 4.01 The Pub is not the sole remaining facility in the area and other, well suited facilities exist within the immediate vicinity see No. 1.03 above.

5.0 Competition Case Studies

- 5.01 As mentioned in 1.03 above The Prince of Wales Public House across the Hotham Way, serving good food (5* TripAdvisor) with a Car Park, Garden, in a better residential area, has recently closed as unviable.

6.0 The Business at Present.

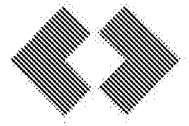
- 6.01 The lessee of the pub has been in occupation since 2009. We understand the tenant will only agree to a 12-month lease as the tenant presumably is not sure the business will survive.

While on an extremely low rental (see 6.04 below), this also had a negative effect of no tenant investment.

- 6.02 The existing lease is due to expire on 26th July 2018 and there is no agreement beyond that date with no long lease possible due to EPC listing and MEES compliance. See 3.05
- 6.03 The rent has remained unchanged since 2012 on the basis any increase would have been unaffordable.
- 6.04 The rent for the Public House is currently £14,300.00 per annum exclusive. Compared to other local examples this rental is at an extremely economic (low) level. The rental payments we understand are frequently in arrears.
- 6.06 Recently trade has now become particularly challenging as several new bars and entertainment facilities have opened in the town centre and the Richmond Arms is too far from the town centre to benefit. See No. 2 above.

7.0 Sale Potential

- 7.01 While we understand the national policies regarding Public House premises together with ADC Local Plan policies these premises have not been advertised for sale for many reasons. The Pub is outdated, has no car parking and the renovation works are also unviable for the current business as a Public House.
- 7.02 As can be seen from the existing Floor Plan, location plan and title deed plan, the building takes up most of the site and there is limited space for commercial use expansion and refurbishment would not be viable. See 3.05



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8.0 Conclusion

- 8.01 As has been clearly demonstrated in this Viability Statement and current assessment of condition and trading, the premises are outdated, have no parking facilities and realistically, have no viable or sustainable future with the present use.

We have advised, as the building has limited architectural merit or viable refurbishment potential for the current use or indeed any other viable commercial use, there would not be any reason for commencing advertising the premises for sale, or to lease, on a long-term basis as a going concern.

Complete redevelopment of this site to residential will provide a more sustainable and beneficial use of this site and will contribute to an important improvement to the street scene.

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25th May 2018

NOTES

1. The drawings are for information only and do not constitute a contract.
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Rev. Date Author/Drawn



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234 London Road
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Project

234 London Road
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Drawing

LOCATION PLAN
FLOOR PLANS

Scale @ A3

1:1250
1:100

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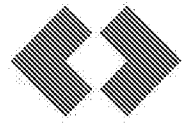
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Date

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COUNTY WEST SUSSEX	DISTRICT ARUN	© Crown Copyright 1997	



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Front Elevation



Rear Elevation