

at your Leisure

MAY & COMPANY NEWSLETTER | MIDSUMMER 2019

in this issue:

Coming to a screen near you...

City centre cinema
insights from industry
experts **The Big Picture**

Sent to Coventry

Exciting Leisure Leasing appointment
in the Midlands

ArtHouse Crouch End

We talk to the inspirational cinema
space operator **Sam Neophytou**

lots more inside

Welcome

In the last few months we have seen significant structural changes to some of the biggest F&B high street brands – Patisserie Valerie and Jamie’s Italian going through administration and CVA respectively. But not all is lost, with opportunistic mergers and acquisitions on the rise – Café Nero acquiring Coffee#1, and Pret a Manger acquiring EAT in order to grow their veggie concept. Loungers, another great F&B brand have just opened their 150th store.

Due to our market niche focusing purely on F&B and Leisure, **May&Company** have been instructed on a number of new instructions including The Co-op Building in Central Coventry, Sovereign Court in Hammersmith, and Calverley House in Tunbridge Wells. We have let a number of restaurant and café units in London and the South East, our professional team have been busy completing a number of rent reviews within the pub, gym and retail sector, and our Rating department have been able to make savings to a number of leisure clients on their portfolios.

In other news, we welcome **Andrew Mazin** as our consultant Head of Building Surveying which will enable us to continue to provide focused advice to operator and landlord clients.

This edition of *At Your Leisure* focuses on the growth of the independent cinema sector, with

a guest article by our good friend **Rob Arthur** of The Big Picture, and an interview with our client **Sam Neophytou** of Arthouse Cinema.

Wishing you all a great Summer

Samuel May MRICS
DIRECTOR

Advisory Update

Lease Advisory

May&Company have completed a number of F&B and leisure lease advisory instructions, and been appointed on new mandates on behalf of landlord clients including:

Costa Coffee Station Road Swindon

The Gym High Road Tottenham

Genting Casino Edgbaston

Rent Review of **The World’s End** public house, London Road, Brighton

For more information on these or similar projects, please email us at justin@mayandcompany.co.uk

Justin Lester MRICS FSAC ACIARB
LEASE ADVISORY CONSULTANT

Business Rates

May&Company have been instructed by a number of retail and leisure operators to advise with rates appeals including:

Snap Fitness: ongoing

Longdan oriental superstore group: new rating instruction

Rock Up: reduction achieved

For more information on these or similar projects, please email us at ian@mayandcompany.co.uk

Ian Landau MRICS
BUSINESS RATES CONSULTANT

Sent to Coventry: Leisure Leasing Agent appointment

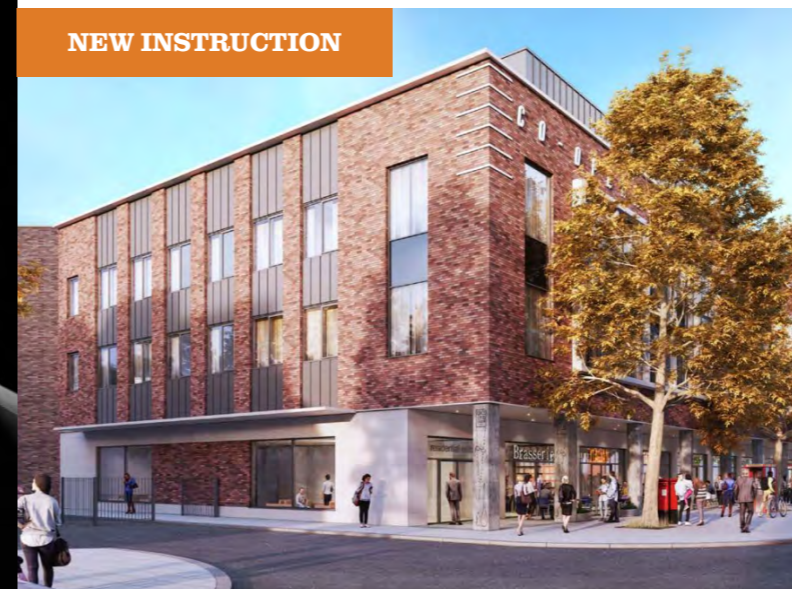
We are delighted to announce our appointment by developers **EDG Group of Companies** as leisure leasing agent on the iconic landmark **Cooperative Building** in Coventry City Centre.



Now reinvented, the CoOperative on Corporation Street, is to be an amazing mixed use address, which will include luxury residential, stylish restaurants, cafe bars and retail. **May&Company's** instruction is to lease ground floor and basement leisure space, which is located in the heart of the restaurant and leisure pitch opposite the Belgrade Theatre. Tenants who have signed up to the development include Rodizio Rico, Café Morso and Steakout.

We will be targeting restaurant operators for the remaining 4,500 sq ft ground floor unit and competitive socialising leisure concepts for the 14,000 sq ft basement.

NEW INSTRUCTION



A taste of Sweden

DEAL DONE

May&Company has recently let 119 High Street, Southend on Sea, to growing Swedish coffee brand **Wayne's Coffee**, on behalf of a private Landlord client.

Wayne's Coffee opened its first coffee shop in Stockholm in 1994. With its unique design, they set the standard for the modern European urban coffee concept. Nowadays, Wayne's Coffee is Scandinavia's leading coffee shop chain with around 40,000 guests served every day, and operates over 140 coffee shops in seven countries in Europe and the Middle East, with a total turnover of EUR 62 million (2015).



Lights... camera... action...

The success of town centre cinemas

GUEST
ARTICLE

Residents of town centres across the UK (and across the world) put cinemas at the top or near the top of their wish list of leisure facilities they would like to have in their area.

Final 2018 admission figures for 2018 reached 177.0 million, which is the highest total since 1970! Escapism from politics, economics and the feel-good nature of the films released contributed to a very successful year. The total cinema box office in the UK & Ireland has passed £1.3 billion for the fourth consecutive year.

Top 10 films in UK & Ireland in 2018:

- 1 **Avengers: Infinity War** (Disney)
- 2 **Mamma Mia: Here We Go Again!** (Universal)
- 3 **Incredibles 2** (Disney)
- 4 **Black Panther** (Disney)
- 5 **Bohemian Rhapsody** (Fox)
- 6 **Jurassic World: Fallen Kingdom** (Universal)
- 7 **Peter Rabbit** (Sony)
- 8 **The Greatest Showman** (Fox)
- 9 **Fantastic Beasts: The Crimes of Grindelwald** (Warner Bros)
- 10 **Deadpool 2** (Fox)

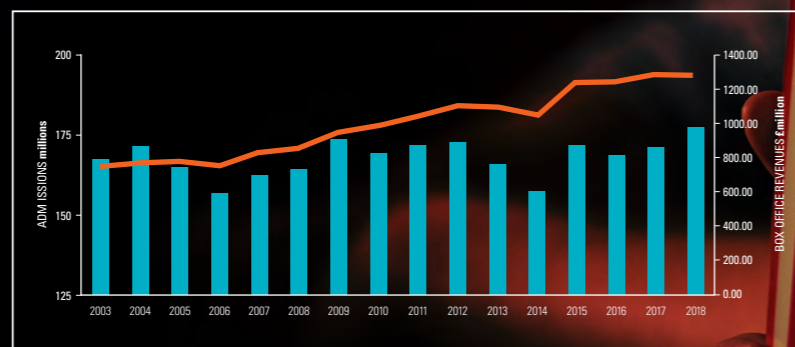
Since the early 1980's and the rise of the multiplex, the UK cinema industry has seen a steady period of growth. In 1984, UK admissions hit an all-time low of 54 million, an average of one visit per capita per annum. The admissions growth can be directly tracked alongside the growth of new build multiplex cinemas, with particularly high development from 1996 to 2002.

Cinema can also be a catalyst for the re-purposing and regeneration of a town centre, creating a cultural hub.

A cinema will screen a range of content from blockbuster films from some of the world's most famous entertainment brands to documentaries and educational screenings; live relays of theatre, popular and classical music, comedy, opera, ballet, museum tours and the regular cinema programme.

The venue should no longer consider itself just to be a cinema – it is an entertainment and multi-arts venue with an ever broadening offer, driven by the developments in technology, flexible distribution, new types of content and local demand.

Innovation has provided an opportunity to deliver greater customer choice which is in turn driving greater consumer demand. Cinema is about an experience, it's about customers engaging positively with film, entertainment and cultural events as well as with a mix of food and drinks.



Customers should be able to relax, engage, and enjoy time together. Whether that's through live event screenings, latest blockbusters, weekend late-night and occasional all-night shows, independent screenings or lounging in the café bar.

Cinemas aim to be at the heart of the community with a team which has the skills and drive to deliver this.

Live theatre, conference, music and comedy programmes can be delivered by the cinema operator.

A town centre will be welcomed by those of who have stayed in the area for many years and also those who are recent or new arrivals. Cinema adds value, vibrancy and credibility.

The venue should be a welcoming place, designed to accommodate a variety of customers at all parts of the day and week; and at prices which reflect local income levels and they can range in size from 4,000 sq ft to 100,000 sq ft of NLA.

Local traders, clubs, societies and community groups will be welcomed at the cinema and they have a significant economic impact in the 6pm – 9pm time period.

The cinema will give local people the opportunity to see a film; provide employment in a key industry sector; and enable staff to reach out into the community to work on

projects and initiatives that will ensure that the venue becomes a cultural hub in the town centre.

In summary, a cinema venue in your town centre should:

- > Be open for business every day and programme films at times that are convenient to all parts of the community.
- > Be the place to meet for a film, live event, coffee or a meal.
- > Provide a flexible, affordable and transparent box office and online booking service so that all parts of the community can access the venue.
- > Create local jobs directly and indirectly (local restaurants and shops) which will have an economic impact all year round.

Meet the author:
Rob Arthur
Senior Consultant | The Big Picture

Based in London, The Big Picture, is the foremost specialist international management consultancy focused on the cinema industry.



in conversation

with Sam Neophytou of ArtHouse Crouch End Cinema

Sam May talks to
another Sam about
his business and his
vision for the future.



Q Hi Sam, I understand you are celebrating Arthouse's 5 year anniversary since opening. This is a great milestone.

A It certainly is a huge milestone and a journey filled with extraordinary highs and lows. Strangely, it's the lows that have shaped the unique offer that is The Arthouse USP.

Q What was your background before you opened the Arthouse at Crouch End?

A I started as an actor, then went into comedy then writing and directing plays! All of which I'm afraid didn't pay the bills.

I then started building and developing property. The Arthouse was a combination of both my loves. We designed and built the Arthouse which I run with my wife Jenny and a wonderful staff who are all paid the London Living wage. We are the only cinema that does this.

Q What sets Arthouse apart from other cinema operators?

A We celebrate the fact that we are not just a cinema. We have a stage and we programme a host of live events including world music, jazz nights, comedy and dance, along with a multitude of Q&A Screenings. Much of our programme is also curated to cater for our diverse community.

Q There seems to be huge growth in the independent cinema sector – why do you think this is?

A The growth I would say is in independent films and independent distributors. There are still only a handful of privately owned cinemas of which Arthouse is one. It is still the chains that are the bulk of new sites. However, this will change as more opportunities open up on the High street as retail faces its own challenges.

Q What is the single most important thing for an independent cinema operator these days?

A To have a diverse programme that caters for all in our community.

Q How do you choose your films?

We tend to programme independent films with individual powerful storylines and curate something that we understand works well within our community. We also programme huge amounts of live streaming events from the National Theatre and RSC which is a growing market.

Q How many sites do you want Arthouse to expand to, and where do you expect those sites to be?

A We have at the moment over ten sites at various stages of development and are happy to consider further sites and areas that would benefit from our unique offer. All our sites are in Greater London. Central London is a completely different demographic and doesn't really cater to our offer. We would look at other major cities with a diverse community.

Q How important is Food & Beverage for Arthouse?

A We are not here to take market share from restaurants, and restaurants actually benefit from our presence on the high street. Arthouse really only sell snacks, nuts, chocolate, popcorn, wine and coffee – not steaks and chips – but we are here to complement the high street offer, not compete with restaurants and cafes. Our popcorn only costs £2 and that is what makes it affordable to our customers.

Q What are your key values in running a leisure and cultural business?

A To create a dynamic and vibrant Art Centre/Cinema that is inclusive, accessible and relevant to all in our communities.

Q What will Arthouse be doing to celebrate your 5 year Anniversary?

A Our Anniversary will be a retrospective of films, live shows and event that reflect the many changes that have happened at the Arthouse and the wider society over the past five years and boy have there been some changes...

Canton comes to King's Cross

Chinese restaurant operator expands into London's fast-growing tech hub.

On behalf of a private overseas Landlord client, **May&Company** have completed the letting of the former Thai Aubergine restaurant at 109 Kings Cross Road to established Chinese operator **Canton Element**. Canton Element, whose flagship restaurant is in Red Lion Street, Holborn will be creating a 35 cover restaurant at Kings

Cross Road to cater for the mix of residential, tourist and office workers in the neighbourhood close to Grays Inn Road and Farringdon. The offer will include breakfast and brunch menus, appetisers, steamed dim sum, noodles, soups and deserts alongside wines and beers.



DEAL
DONE

Investment Acquisition in West London

On behalf of private clients, May&Company have acquired a freehold restaurant with development potential in West London. Currently let to Taste Lahore on a lease expiring 2029, **1 The Broadway Ealing** has future development potential to develop the space above the restaurant. The property is located only moments from West Ealing Station – soon to be a Crossrail station. May&Company are seeking similar restaurant and leisure redevelopment opportunities on behalf of this private developer client.

DEAL
DONE



Fit for purpose: Outrivals instruct us to identify new sites

Outrivals' existing boutique gym is located just off Old Street, and May&Company have been instructed to seek new sites of approximately 2,500 sq ft in locations including Hammersmith, Battersea, Kings Cross and Camden. The small group fitness concept will have an all day café offering to complement it and allow customers nutritional food and drink offer on-site.

Andrew Mazin appointed as our new Head of Building Consultancy

Andrew has over 30 years of Building Surveying experience for a wide variety of clients, including acquisition surveys, defect diagnosis and schedules of condition on behalf of a leading casual dining chain, and measured surveys and negotiated dilapidations on instruction from a leading retailer.

Andrew will be heading up the **Building Consultancy** function at May&Company on behalf of landlords, investors and developers, as well as for F&B and Leisure operators.

Andrew can be
contacted on
email at
andrew@mayandcompany.co.uk



Andrew Mazin FRICS FCI Arb
HEAD OF BUILDING CONSULTANCY

Thanks for reading this issue of **At Your Leisure**: we hope you've found it both interesting and useful. If there's anything we can do to help, whether you are a Developer, Landlord, Investor or Occupier, then please get in touch.



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