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A silver lining to all these London restaurant closures?



What conclusions can be drawn from the following obviously closely related incidents?

After Byron and Jamie's Italian and several other mid-market restaurant chains announced significant closures of branches both in and outside London, more closures swiftly followed.

Prescott and Conran, having shuttered Les Deux Salons opposite Barrafina in Covent Garden (above right), announced the closure of Albion, Parabola in the Design Museum and Lutyens on Fleet Street and put all them into administration.

Then, my old neighbour, The Gay Hussar on Greek Street, Soho, quietly called it a day after 65 years serving politicians and journalists of the left. This long-established restaurant should most

notably be acknowledged as the kitchen in which Shaun Hill, the perennially young owner of The Walnut Tree Inn just outside Abergavenny in Wales, first learnt his trade. (Hill's cherry soup, currently on his dessert menu, bears testimony to this Hungarian culinary education.)

Then came this week's news - the six-strong branches of Hummus Bros have closed. Founded 13 years ago by two friends who met at college, their six units were all in prime locations such as Soho, Covent Garden, Exmouth Market and Holborn.

The same causes are invariably cited: the consequences of a falling pound and uncertainty over Brexit; rising rates and rents; lack of consumer confidence; and the general lack of disposable spending power in the high streets where all these restaurants were once located.

But specific factors were also involved that mitigate against drawing too many general conclusions.

The Prescott and Conran restaurants were all large restaurants and located outside the West End, perhaps an attempt to recreate the charms of the old Conran restaurants that now trade as D&D Restaurants but without the originality and excitement of the first incarnations.

As for Hummus Bros, I believe that congratulations are in order to the two founders for surviving for so long with such a narrow offering. The problem of putting one ingredient over your frontage is that you necessarily put off any member of a potential party who is thinking of walking through the front door who does not happen to like either that ingredient or that style of cooking.

Finally, to the survival, to date, of the Gay Hussar. This restaurant was kept going only by the injection in 2013 of £150,000 from the Goulash Co-operative Limited, a like-minded body of friends and well-wishers who in reality had more money than commercial sense. But the prospect of serving customers from a kitchen in the basement with a style of food that is definitely not suited to the current temperatures we are experiencing in London, may well have been the final factor in this restaurant's unfortunate, but possibly long overdue, closure.



What are the likely consequences of all this? The first is fairly obvious. A lot more To Let and Restaurant Available signs will join those already displaying these two sad words. All the sights shown here were photographed last week in central London. There will, regrettably, be many more.

But there are several more consequences as the emphasis shifts in the inescapable battle between a prospective restaurateur and their landlords in the shape of an individual, a

developer, or a property estate. And these shifts could ultimately be beneficial to the consumer.

The most obvious benefits are that any prospective restaurant's terms should become more lenient. As many large developers continue to make hospitality the cornerstone of their development - with retail outlets suffering far more obviously already - then there will be an oversupply of spaces to fill.

There is the Apple redevelopment of Battersea; the Argent redevelopment of King's Cross (in which I am professionally involved as a consultant); the Crown Estate's redevelopment of what was once known as Lower Regent Street but has now been rebranded as Regent Street and where Milos, San Carlo, and Villandry St James's all appear to flourish, while further down Barings Real Estate has just let its former banking hall (think Mary Poppins) to Imperial Treasure, the Chinese restaurant group based in Singapore.

This slightly more lenient attitude will be reflected in slightly more favourable terms for the potential occupier: a higher capital contribution from the landlord perhaps; a longer rent-free period; perhaps even a lower rent, but one that will definitely be linked to the restaurant's sales performance. All of this will make life a little easier for the brave to survive and prosper in their all-important first 12 months.



But the man who is most likely to benefit from this change is not a restaurateur but an agent. Richard Wassell is the man behind Twenty Retail, a relatively small agency that has made a speciality out of representing the lesser well-known names in hospitality and retail.

Wassell has seen all this before. He has experienced times when the market has been so strong that those he represents never get their business plans even looked at, and times such as the present when landlords are beginning to listen much more carefully to the kind of clients his firm represents.

All of which is highly encouraging in his opinion. 'What I am saying to my clients is that whereas a site seemed far too expensive six months ago, and perhaps was even under offer to a more established brand, this site may now have come back on to the market and the landlords are prepared to listen to your best offer.'

And that offer, which may be 80% of the once-agreed rent, is now within the acceptable range of the landlord who, quite understandably, would rather have a let site than an empty site – particularly one that is likely to occupy a ground floor, and therefore a prominent location.

As well as experience of the ups and downs of the retail and hospitality markets, Wassell has one other essential attribute in an agent: patience. 'There are a couple of sites that I am in discussion over, where this is the third attempt at letting them. Hopefully, this time everyone will benefit and the resulting opening will be popular and successful in the long term. That way, everyone is happy: the landlord who has a good tenant; the restaurateur who has a good home; and, most of all, the customer who gets the opportunity to enjoy food that probably has more of an edge to it.'

Let us hope that he is proved right.