

“This sector has traded better than most”: AGC sites lead property growth

PROPERTY

With a flurry of acquisition activity for AGC and FEC sites around the country, Coinslot spoke to **Colin White** from CJ White Associates on what's driving this trend, and how long it may continue.

As a raft of AGC and FEC sales occur across the country, Colin White, director of C J White Associates, has a clear view about what's behind the sharp spike in demand for leisure and amusement sites.

The firm, which recently managed Novomatic's acquisition of Moreton's and is currently handling the sale of Thomas' in Hunstanton, is well-placed to observe leisure's growing reputation as “the future of the high street.”

“Since post Covid reopening, around May 2021, this sector has traded better than most, especially the FEC sector where staycation has boosted the businesses with higher visitor numbers,” said White. “AGCs have also generally traded well since reopening.”

“The result was that we saw national and group operators returning to the market for the first time reflected in the Moreton's Torquay sale, confident that the sector has returned to normal trading levels or better.”



Though White noted the exception came in “city centre locations, especially London,” he observed that “operators are becoming increasingly optimistic that apart from sites in prime west end and city locations there remain good business fundamentals.”

“AGCs are dominated by Novomatic and Merkur, with City Gaming growing fast but now focussed on green field sites. There does, however, remain room for good quality and well capitalised smaller group operators in this sector who are able to compete with good quality sites and management.”

So what's driving this

trend? White is convinced it is coming from the quality of entertainment on offer. “For AGCs,” he said, “it's the access to the best and greatest variety of equipment.”

Meanwhile in the FEC sector, this remains the domain of the smaller, more family oriented operators. “FEC's still haven't attracted the attention and interest that we might expect from national operators,” White observed. But he was quick to recognise the reasons behind this. “FECs mostly remain in the control of the independent sector with some regional operators having multiple sites. We expect this to remain the case

FOR SALE

PRIME FREEHOLD FAMILY ENTERTAINMENT CENTRE
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- Freehold
- Prime location
- Projected turnover £550,000
- Projected EBITDA of £172,000
- FEC/AGC licences
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CJ WHITE ASSOCIATES

for the foreseeable future.”

Despite the continued “strong” interest in arcade and amusement sites, White noted that business rates and utility costs may impact how long the trend lasts, alongside factors such as the rising cost of living.

“There is some evidence of a slowdown in the sector after the Covid reopening bounce, but gaming and amusements have benefited from many customers building up financial reserves because of restricted spending opportunities during the lockdowns etc.”

“These funds are being spent but at present the sector remains strong. It is dif-

ficult to predict what will happen as the cost-of-living crisis bites, but historically, we have seen this sector trade well when the economy is under pressure.”

But how are arcadians dealing with this? White responded: “Business rates are a factor but sites which perform well in secondary retail locations can afford the rates and rent. But utility costs come higher up the agenda currently as fixed price contracts start to expire.”

Asked whether amusements, gaming and hospitality are the future of Britain's high streets, White replied “yes, combined with smaller independent niche retailers.”

North Somerset Council push for CPO as Birnbeck Pier sale stalls

ATTRACTIONS

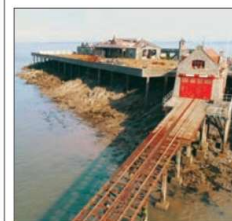
North Somerset Council has revealed it is continuing to pursue a Compulsory Purchase Order of the dilapidated Birnbeck Pier, after the owners of the Grade II*-listed structure failed to honour an existing sale agreement.

CNM Estates had assented to a sale of the rapidly-deteriorating landmark in November 2021, after councillors made a “unanimous decision” to take on responsibility for the structure and restore it as an RNLI base.

“We continue to progress plans for Birnbeck Pier,” said a council spokesperson. “While the current owner signed an initial agreement to transfer ownership of the pier to the council, they are unfortunately yet to sign the legal transfer documents to fully commit to the sale.”

“The council is continuing to acquire the site under a Compulsory Purchase Order and a date for a hearing to progress this has been set for Friday 11 November. We remain focussed on the restoration of the Grade II* historic structure, allowing vital life-saving work to be brought back to the island and for public access to be restored.”

When the acquisition is completed, the RNLI will lead the renovation of the pier in order to transfer operations back to the structure, having departed in 2013 due to safety concerns after 131 years on the landmark.



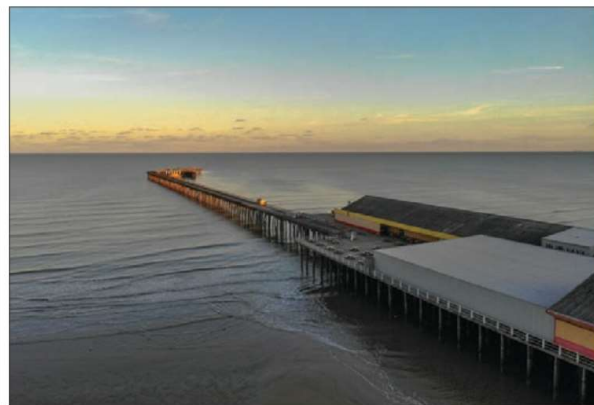
Walton Pier holds firework display to celebrate reopening

EVENTS

Walton Pier hosted a celebratory fireworks display on 30 July in order to mark its full reopening, as the pier gets set to bring customers to the coast “all year round.”

The event saw crowds gather along the seafront in order to watch the “spectacular” display, as well as enjoying the attraction's funfair rides for free between 6pm and 9pm.

“It was great to see so many people in Walton,” owner Russell Bolesworth told the Clacton Gazette. “The promenade was packed - I have never seen so many people here.”



“We were really happy with the fireworks, which had a spectacular ending. We'll be doing fireworks again for the August bank holiday.”

The pier was partially reopened on 30 June, when the “the longest arcade in the UK” opened to visitors, with ongoing works seeing the creation of a new six-lane bowling area, adventure golf course, escape rooms and cafe.

“The works are not quite finished yet, but it has been positive to see it all back open and people coming in.”

“The children's soft play and climbing wall will be ready for early October. That's what Walton and the pier really needs - I think that will bring people here all year round.”