

CRAZY DAYS

From axe throwing to trampolines to escape rooms, family and adult leisure has come a long way. Far from just a gimmick, some clever thinkers are taking them mainstream

On the face of it, crazy golf has limited appeal. But the hipster irony revolution of the past decade has turned assumptions on their head. What was once the last word in 1960s seaside holiday nonsense has been transformed into an über-cool socialising opportunity.

Manchester entrepreneur Chris Legh is riding the crazy golf wave like a pro. Legh, director and co-founder of Junkyard Golf, now presides over a three-venue leisure start-up that has plenty of people talking. That's because the kind of competitive socialising he is selling is suddenly popular with an audience not generally known for their commitment to edgy cool: shopping centres.

Legh is full of enthusiasm. It may literally be a crazy idea, but he's signing 10-year leases with serious people: with Patrizia for 11,000 sq ft at First Street, Manchester, and another 11,000 sq ft with Land Securities/Crown Estate at Westgate, Oxford.

He has two more deals

currently in the pipeline in the North.

A separate entrance is pretty much essential – the cool guys and gals don't want to be associated with mainstream retail – but mainstream landlords seem perfectly happy. Junkyard is paying proper rents – £20 per sq ft territory – and earning proper money. Last year's revenue was £5m, this year's will be £9m, suggesting repeat visits and a pool of new crazy golfers will make the business more than a fad. Back-of-the-envelope calculations suggest annual turnover of about £170 per sq ft, which Legh says feels about right.

"We first threw the idea together in a warehouse in east London, it sold well, and two years on we're still selling tickets," he says.

Crazy golf 2017-style is not family entertainment. "This is an alternative to going clubbing, it's about going out with mates."

The grungy hipster vibe is cultivated by what Legh calls "an edgy marketing team".

The future for Junkyard could be a sale to private equity, perhaps combined with bringing in what Legh calls "robust experienced management" but for now it is metropolitan fun, and money-making fun at that.

Other crazy golf operators are on a similarly crazy pilgrimage. There's Swingers – an interesting choice of name suggesting the sex-meets-putting vibe, which is doing business just behind the Gherkin in London, EC3. It has recently won planning permission for the basement in the former BHS store on Oxford Street – so expect to see it grow. There are plenty of other golf concepts in the following pack.

Behind or in parallel come a host of wild new leisure concepts that make crazy golf look like a game of snap. These range from fancy dress bingo (Rebel Bingo – catch it in London) through to Canadian axe throwing (yes, really) to Rock Up and Escape Room (the clues are in the names). And in the distance, if

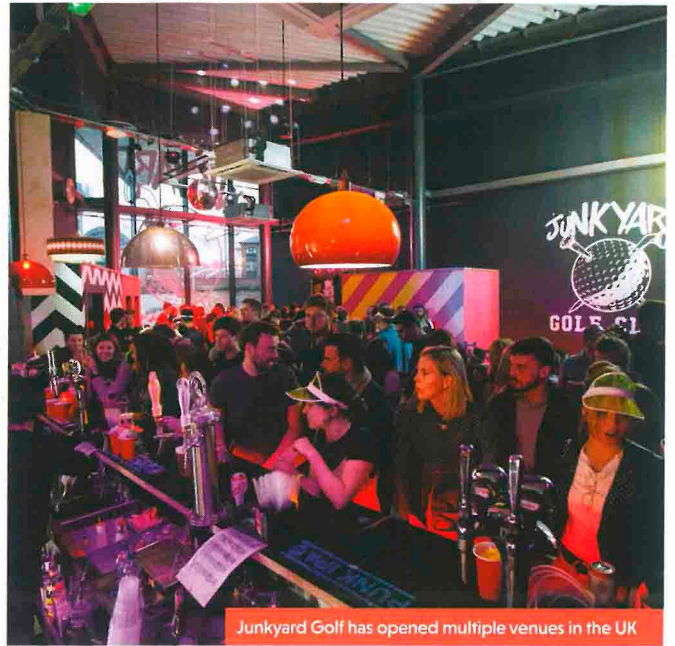
you listen carefully, you can hear the rhythmic boing of a few hundred brand new trampoline parks.

Is this classic late-stage property boom silliness? Or does this sudden burst of competitive socialising represent a sustainable shift in a leisure sector hungry for new experiential offers that might tempt jaded shoppers?

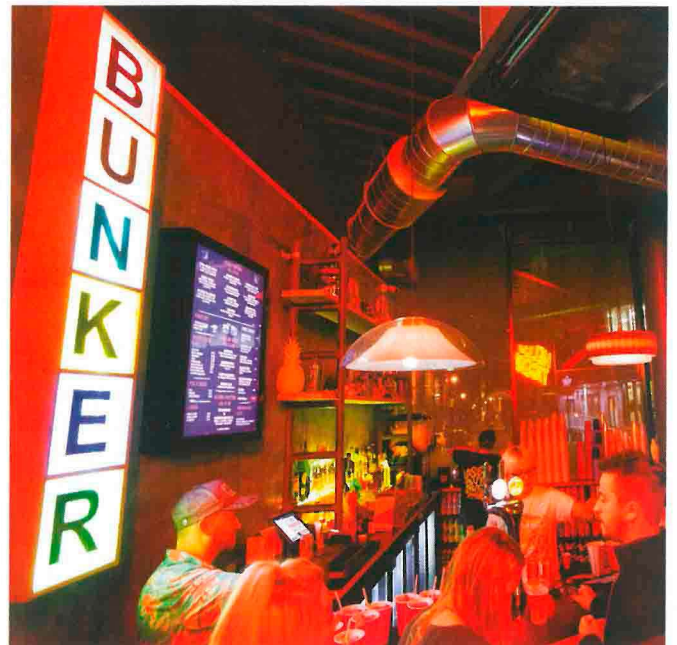
Andrew Cowell, surveyor at OBI Property and an adviser to Junkyard, says definitely the latter. "OK, it originally took a bit of time for landlords to understand crazy golf," he says. "But this is a leisure concept where people don't linger – they book in, in groups, for an hour or so, then move on to restaurants, so it feeds into the wider leisure offer."

"And no landlord is having to take below-market rents to support this kind of new concept. Crazy golf is a sustainable business."

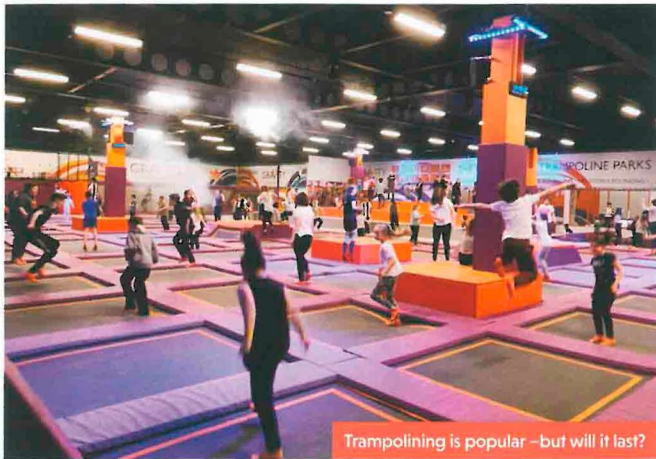
Hammerson's head of leisure, Sarah Fox, agrees. Hammerson has dabbled in trampolining at Highcross,



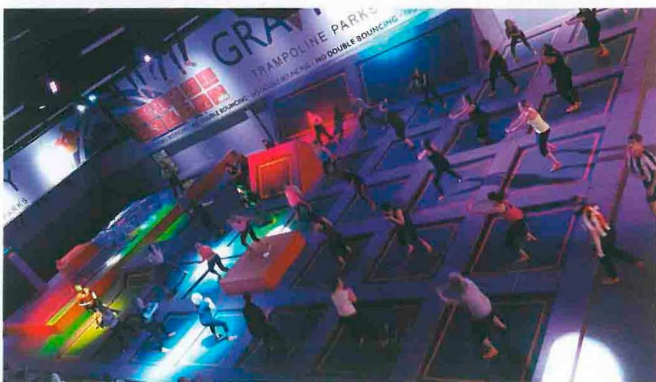
Junkyard Golf has opened multiple venues in the UK



Whistle Punks axe throwing



Trampolining is popular – but will it last?



Leicester, and is now getting excited by a 12,000 sq ft letting to Treetop Adventure Golf, a Cardiff-based variant on the crazy golf theme.

"To be a success, these concepts need high footfall, which is why it makes sense to be associated with a shopping centre," says Fox. "I'm not sure trampolining is compelling enough to last – it might be a fad – but crazy golf is something everyone can do, so it ticks lots of boxes for us."

Like many, Fox sees the family – and daytime – appeal of trampolining as both a strength and a weakness. Getting the right mix of leisure uses is a struggle in which the newer, far-out ideas are sometimes a help – and sometimes not.

"We're probably more about family socialising," she says. "Competitive socialising has its place – look at Bounce, the ping-pong operator, that is becoming popular – what is wrong with a laugh and a drink, although its more adult than family themed in the evening."

The trouble with many of the new concepts is that they

sprang up yesterday – so not much trading record – and all of them seem to involve jaw-dropping insurance risks. One trampoline bounce, dart or Canadian axe in the wrong place could be expensive.

In the face of these problems, some leisure landlords have gone down another route: let's call it the mini theme park.

Intu's regional director Rebecca Ryman won't talk about two of the hush-hush new concepts coming to the 175,000 sq ft leisure extension at Lakeside, but is happy to talk about Nickelodeon which has taken a 60,000 sq ft quasi-theme park complete with interactive games, café and gift shop. It opens next year, and intu is building a hotel next door for those who love it so much they don't want to go home.

As for the wilder ideas, Ryman isn't so sure. While she wouldn't avoid any leisure concept on principle, she is quite keen to avoid some people. "The issue is the operators," she says. "It's easy to write a business plan and set up something overnight.

From metro to mainstream

OK, you've got a cool new competitive socialising idea. Monkey tennis, perhaps? And you reckon there are enough punters in London to make it profitable in a few locations. Perhaps there's a chance of an outlet in Manchester? Maybe in Birmingham. What comes next?

Savills' David Bell says: "The question is, will these concepts only work in the big cities? Can you expand them beyond the top 10, and perhaps a maximum of 20 or 30 target locations in London?"

"You go around the usual 10 cities and that's it, you're done. These ideas are not all scalable."

Private equity backers looking for something they can grow will find this a deal-killer.

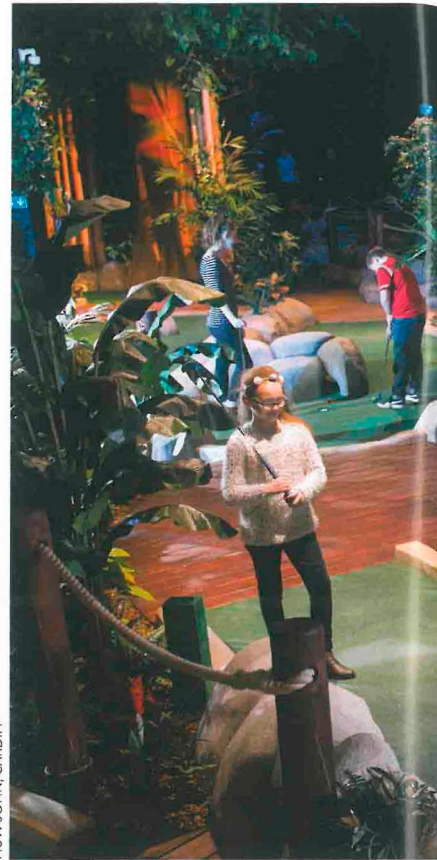
Some, however, are taking the big step from metro to mainstream. Rock Up has a Birmingham outlet, but has also added Fareham and Hull.

Andrew McGregor, partner at Knight Frank, says: "Rock Up is now heading to Weston-super-Mare. That's really branching out into new markets. It has enough of a family appeal for this to work mainstream."

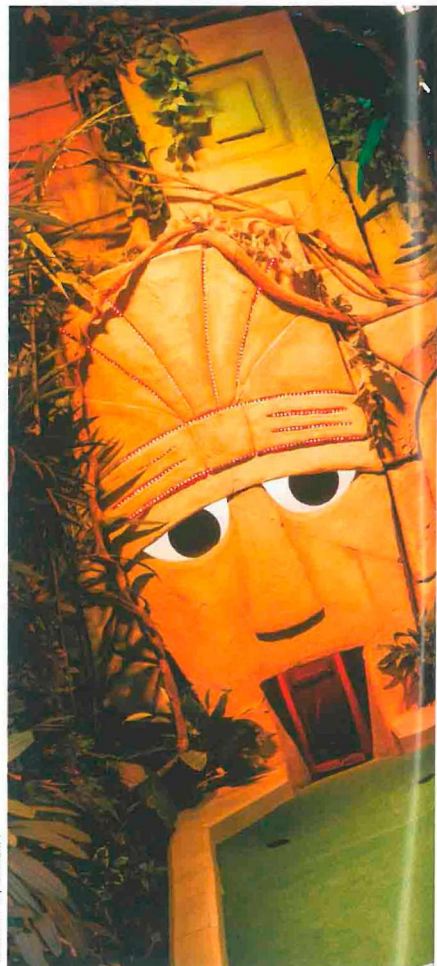
But there are issues – look at trampoline parks. There's a huge number of operators – some good, some with more to learn – and there will be consolidation in that market."

The implication is that Ryman will wait until the trampoline market has matured before taking her first bounce. And other new ideas will have to pass a fairly rigorous covenant test.

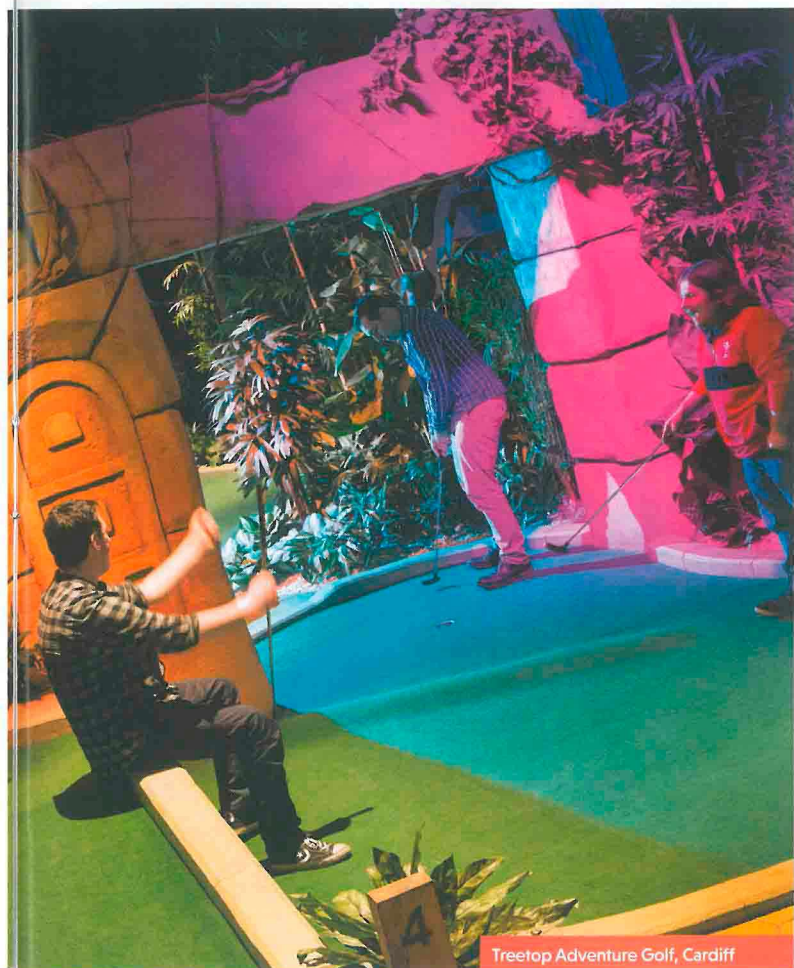
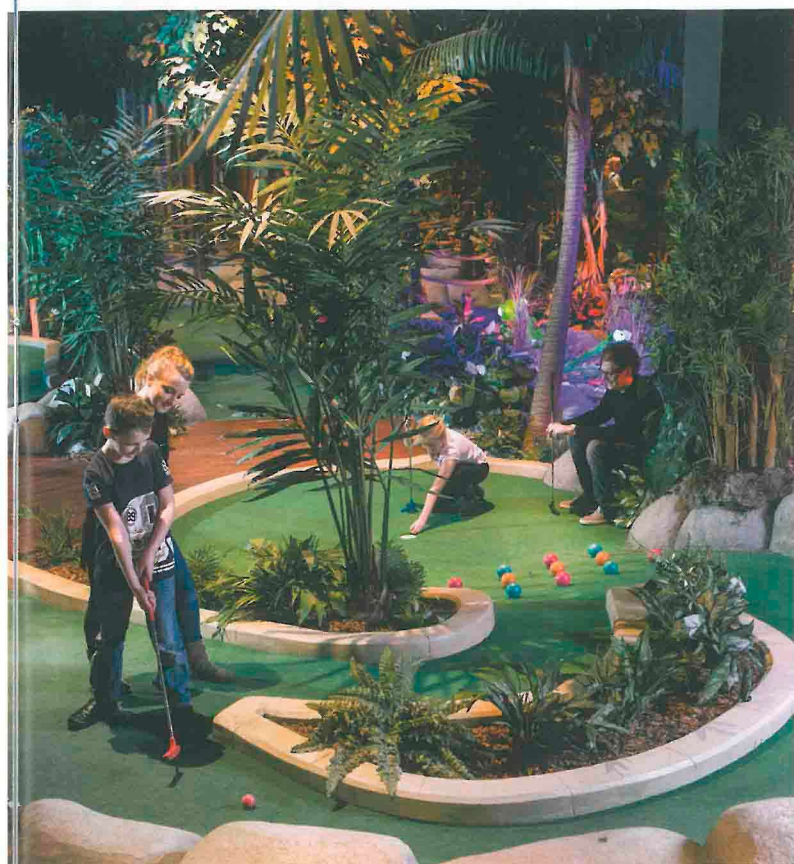
David Bell, director at Savills, suggests some shopping centre landlords might turn to the wilder new ideas as pop-ups to drive footfall. In that case, long-term viability isn't an issue they need to worry about. "The answer may be to



HUW JOHN, CARDIFF



HUW JOHN, CARDIFF



Treetop Adventure Golf, Cardiff



From darts to axes...

Flight Club: darts but different. Intu's Rebecca Ryman says: "I took my team one night. It was a Tuesday and I couldn't believe how busy it was, and there was a long wait for a booking. So it's obviously working. And we haven't laughed so much in ages."

Trampolines: still got plenty of bounce. This is a market about to face a test, says Gavin Brent, managing director of GVA's leisure business. "We've got half a dozen operators now, the margins are quite high – maybe 60%, compared to 20-40% in most leisure concepts – because the running costs are low. And it's a scalable idea, which the private equity investors liked. The problem is yields – there's not yet been any transitions to tell us what they are – and when we get that yield evidence, it will be a tipping point for the trampoline market."

Canadian axe throwing: lumberjack fun. Whistle Punks already operates in London, Birmingham and Manchester, and it is not the only operator, says Savills' David Bell. "We're seeing requirements for 5,000-10,000 sq ft, modest rented space near office workers in the 25-35 age range," he says. When the head of one London leisure team was asked if they were interested, they told *EG* that the entire team was keen to give it a try. Mainstream landlords maybe less keen. Hammerson's Fox says: "Axe throwing has its place, though not probably in our centres. We're more about families socialising."

Urban Adventures: real or imagined. Real physical adventures and virtual reality alternatives are tipped by British Land's Alice Keown. "Take a look at operators like Urban Legacies. That's an extraordinary offer. It is looking for UK sites, it takes enormous spaces, and that's the kind of thing we want."

follow the US example and operate these attractions as loss-leaders, to generate longer visits," he suggests.

However, British Land asset manager Alice Keown definitely isn't in the business of loss-leaders. Keown manages a 10,000 sq ft trampoline park next to Meadowhall but what excites British Land are big bold ideas, perhaps with a competitive socialising edge, in its urban locations, and something more family oriented out of town. The smart money suggests it will go for something novel at the new 330,000 sq ft Meadowhall leisure extension as Keown hints (see sidepanel).

Hammerson's Sarah Fox is

more open to pop-up leisure novelties. "To an extent we already do it – we don't expect to make very much money from some of these things. Obviously we have to show incremental income, but it's not as high as restaurants or retail. However, it is a reason to come to our centres," she says, pointing to leisure concepts pushing up dwell time by 35 minutes at Glasgow's Silverburn.

Even the weirdest leisure idea has to make commercial sense. But weird is also appealing in a homogenised leisure and retail scene. And the big landlords know it.

David Thame