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## **DEAN GAMBLES & CO SEES RECORD NUMBERS OF LONDON RESTAURANTS LOOKING TO CLOSE DUE TO COST-OF- LIVING CRISIS**

- **Mayfair appears to be remaining immune to downturn**
- **Rents are still holding steady**

**SOHO, LONDON, 30 January 2023**— Record numbers of enquiries from London restaurants looking to close shows the hospitality sector is feeling the pinch from rising costs of energy, labour and food – with Mayfair largely unaffected.

The effects of soaring costs of energy and raw ingredients enhanced by labour shortages have prompted record numbers of calls from potential sellers to leading London real estate broker Dean Gambles & Co.

Dean Gambles, CEO of the company, says: “One client I haven't spoken to for 10 years called me up. He's been trading happily for 10 years but he's had to raise the salaries of the staff and is feeling all the profit margins being squeezed.

“He's an independent operator who has often bought or sold sites but he's now looking to get out of the restaurant business.”

Rising costs and labour shortages mean site availability in London is likely to rise significantly. Yet so far there is little sign of the market changes being reflected in lower rents – especially in the more upmarket areas of London.

“The market in these areas seems to be cruising on regardless,” says Dean, noting that the most high-end areas of the capital such as Mayfair appear to be remaining relatively immune to the downturn.

Nishan Bhaker, Dean Gambles & Co co-founder, adds: “In Mayfair operators can add another 10% or 20% on top and the consumer won't care too much. That's not an option for operators in the fast-casual market.”

Restaurants that can offer diners a more diverse menu have an advantage when it comes to surviving the downturn, Nishan believes.

“Members of the public who are saving money because winter's bills are coming are probably only wanting to go out if it's something special. So, operators should be asking themselves if they're doing enough to ensure that they're attracting the right clientele,” he adds.

Food inflation in October 2022 increased to a record-breaking 11.6 percent, according to the British Retail Consortium (BRC) -- hitting restaurants' margins. Energy bills also rose to record levels.

Summer analyses such as the 11th Future Shock report, compiled by industry body UK Hospitality and consultancy CGA, showed 15% of roles remained vacant in the UK hospitality sector – reflecting the depth of the talent shortage in the sector.

As one of London's most experienced restaurant brokers Dean Gambles & Co is able to provide insightful comment and analysis on market developments in Mayfair or other high-end areas of Central London.

***Call Dean Gambles & Co now on +44 20 7078 7464 for advice or assistance with acquiring or disposing of your Central London restaurant property.***

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