

COMMENT

The roaring twenties are coming - just not quite yet

By Richard Green

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Restaurants will enjoy a good summer this year but autumn and winter may be bumpy. Spring 2022 will be the real beginning.



We will partially emerge from lock-down in April, but more fully in May. We'll be in a sorry state, with everyone knowing someone who succumbed to the virus, the economy in shatters and large parts of the hospitality industry bombed-out. Some unlucky operators will fail in the final days before dawn.

However, the spring sunshine will prompt hope, and those still standing will be quick out of the blocks. New financiers will expect their new, leaner outfits to perform from day-one. Initially, there will be little exuberance, but restaurant-goers will soon express their new freedom - it won't be straight back to the old days, but the seeds of the roaring twenties will be sown this summer. Autumn and winter may be bumpy, with Governments jittery about a return to dark times, and delivery companies might enjoy a brief rerun of their lockdown heyday, but spring 2022 will be the real beginning.

This summer, prime locations will see the same old names opening their doors. But many of those will in fact be entirely different operations, where hard-nosed administrators have brow-beaten weakened landlords, whilst hanging on to their clients' best locations. Underperforming units will have been jettisoned and requisitioned by the next generation of ambitious restaurateurs, though the peloton didn't get a look-in at the best sites when the shady lock-down negotiations were happening. Secondary locations will see re-engineered rents, new names and the beginnings of the next chapter of musical chairs for entrepreneurial restaurant groups. There will be less private equity splashing around and the army of hospitality support services that grew-up since the turn of the century may have to make-do with a smaller slice of a smaller cake.

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The rest of the country might have enjoyed a degree of schadenfreude during central London's COVID misery, but the capital will recover. Paradoxically, the regions will suffer disproportionately from the next and most immediate threat - the reality of Brexit:

The hospitality industry will emerge from hibernation to find that the Europeans who kept the industry afloat have gone home. The endless pipeline of sommeliers, chefs, pâtissiers and waiters was turned-off definitively on 31 December. There will be no new staff from over the channel to replace them. Many have not yet realised that the door is closed. Cruel irony or poetic justice, but the rich boroughs of Remainer London will Hoover-up those who opted to stay, leaving many regions bereft of affordable skilled staff.

Maybe this time round, with the UK now a more foodie nation, our own people will take up the reins. But that will be a long-haul, as our skills and willingness to work in hospitality are not sufficiently developed. It is more likely that future governments will resort to importing our hospitality workforce once again. A return to five-year visas for Australians, New Zealanders and commonwealth citizens is possible; there may even be a visa-welcome for young Americans. The changing profile of hospitality workers and subsequent business owners will shape the landscape over the next decade, as the European influence on British dining diminishes.

As the decade develops, turnover rents will become a thing of the past, big cities will re-invent themselves and astute landlords will redefine their offering. Governments will be forced to rectify newly created hurdles by choosing to de-regulate or quietly allow workers to return from nearby countries. As ever, entrepreneurs will find their way around the obstacles, and obstacles there will be, but we will be roaring by the mid-twenties.

Richard Green is owner of 28°-50° and 28°-50° Wine Bar & Kitchen and founder of Riviera Restaurants and Luxury.