



Refurbishment and fitting out.

Nigel Witham explains why money matters when it comes to a restaurant's success.

Well, I've written two articles about design for Tandoori and the studio phone hardly stops ringing with enquiries! I am delighted but there are issues. I am very concerned that lots of budding restaurateurs have no idea what restaurant fitting out costs. So many callers want to refurbish or fit out with insufficient money. Sometimes they end up in quite a predicament - they can't finish their projects or they have to cut so many corners that their restaurant can't compete properly.

If you come from an entrepreneurial Asian culture you will have that wonderful spirit of supporting each other and your families in business. However, there is no substitute for capital. I'd like to help you all get rich but there is an unavoidable truth. To make money you must start with money and you must not be afraid to commit it. Building a restaurant no matter how small requires a lot of money. No designer can be effective without it.

Don't let this put you off though. I've opened quite a lot of restaurants and I've observed that the difference between success and failure almost always comes down to how much is spent but I have also seen that a well-designed restaurant is not enough by itself. If I give a bad restaurant a high profile I will get a bad restaurant with a high profile. If I give a good restaurant a high profile though, well then that's a different matter, success can be spectacular.

Here are some important points: -

- Restaurant design generally has improved vastly in recent years and customers are more sophisticated. There is gulf between professionally designed and built restaurants and 'cut-price, design it yourself with a local builder' jobs. I'll leave you to decide which customers prefer.

- Building Regulations have become more stringent. Many restaurateurs want to ignore them but they break the law and void the terms of their mortgages, leases and insurances.
- Disabled persons access rules have become much more rigorous. Restaurateurs that don't install ramps, accessible lobbies and toilets, lifts and other disabled-friendly features run the risk of court action and bad publicity.
- Have you heard about the Construction and Design Management (CDM) Regulations? They deal with Health and Safety on building sites. Even small restaurant projects fall within their scope. If you ignore them or if your builder does, you risk a criminal prosecution with heavy fines.
- Shop fitters and builders are all very busy. It is a seller's market.

So my point is that fit out projects are more complex and costly now than ever before. A Nepalese client of mine said to me the other day that you can't get a loft converted in London for less than £40,000 and that's just one room so how do people expect to open a designer restaurant for £100,000? "They should get real!" I'm glad he said it for me.

Here's what I've recently found: -

- The minimum cost of refurbishing an established restaurant or fitting out a new one in a sound building is £100 per square foot. In most instances, this will give a 'designer' specification that will be much more attractive than most 'do-it yourself' curry houses. A 50-cover restaurant with kitchens, stores and toilets occupies about 1500 square feet, so it will cost at least £150,000 to build.

- In major towns and cities labour costs are higher, transport is more expensive, site access is more restricted and the competition is stiffer, so the design has to be more elaborate. The costs can easily double. If you are extravagant they can treble.
- Restaurants and bars with entertainment licences cost about 30-50% more to fit. This is because of the costs of stringent noise control measures and of the audio-visual and lighting equipment.
- Creating a restaurant in a mall, office development or cinema annexe is also more expensive because the services infrastructure (heating, ventilation, water and electrical installations, fire protection, and so on) has to be built to very exacting standards. You should allow an extra 30-50% for this.
- Professional fees vary but good designers have to charge to provide a team of experts, (bad ones sometimes charge little or even nothing - its your choice). In total the professional fees will add around 10-20% to the cost - and you really can't do all these jobs yourself. A good designer will negotiate a fair price with the right builder though and they should ensure that you get the full benefit.

The good news is that if you do commit to a professional designer and builder you will have the makings of a very sound and durable business. I have found that a well-executed design will always improve a business. Some of my clients have quadrupled turnover just by refurbishing. The expense is not for the faint-hearted but then again I never met a sub-continental businessman who lacked heart.