

Cinema Development Potential for Bognor Regis

**Report compiled for
Arun District Council**

Confidential

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1. Introduction

Dcinex UK was appointed by Arun District Council to assess the cinema potential for Bognor Regis and the surrounding catchment area. As part of this assessment, consideration has been given to the merits of the proposed leisure development scheme proposed by St Modwen's and the potential for increasing cinema screens and admissions in the town.

If such a scheme were to be developed, the implications to the existing Picturedrome cinema are considered in the report

Dcinex Consulting is an international management services and consultancy company, specialising in Cinema Exhibition and the wider leisure market. See Appendix 2 for further credentials.

2. Overview of the UK Cinema Market

Since the early 1980's and the rise of the multiplex, the UK Cinema Industry has seen a steady period of growth. In 1984, UK admissions hit an all-time low of 54 million, an average of one visit per capita per annum. The admissions growth from that year can be directly tracked alongside the growth of new build multiplex cinemas, with particularly high development from 1996 to 2002. Overall multiplex screen numbers in this period grew year on year, though this was offset by a decline in traditional cinemas and screens.

Since 2002, new build has slowed and this is reflected in the tail off in growth with admissions effectively flat over recent years. The major chains continued selectively to add to their UK portfolios, but also shifted focus to Europe to look for further expansion.

In recent years investment in cinemas has been predominantly inward – mainly due to the conversion to digital and the desire to compensate relatively flat admissions with an increased spend per customer. However, some cinemas have invested wisely in adding screens and the cinema circuits are now all exploring new formats to roll out (smaller, community based cinemas and premium offers being two examples).

The independent cinema scene has continued to play an important role during this period, offering a viable alternative to the multiplex experience in both cities and smaller communities. In some circumstances, independent cinemas have invested wisely in creating a different experience and found success through a local, loyal following.

2.1 Key UK Statistics

	2007	2008	2009	2010	2011
Screens	3514	3610	3665	3741	3824
Admissions (millions)	162.4	164.2	173.5	169.2	171.6
Average ticket price (£)	5.05	5.18	5.44	5.95	6.06
Gross box office (£millions)	820.0	850.2	944.0	988.0	1,038.0
Admissions per screen	46215	45485	47340	45228	44874
Admissions per UK Head	2.63	2.61	2.81	2.74	2.78
Ave annual spend per UK head (£)	13.57	13.91	15.27	15.87	17.00

Source: Dodona Cinemagoing / Screen Digest

The UK admissions per head remains at the higher end of most recorded European countries, significantly ahead of Germany and Italy and slightly behind France.

UK admissions have remained strong for a number of reasons:

- Robust Nature of UK Cinema Going Market
- The increase in certain audience sectors (see 2.2 below)
- Film Release Patterns and the success of Franchise Movies
- New revenue streams driven by Digital Cinema

2.2 UK Audience Profile

History has shown that cinemas are very resilient to market economic conditions and the continued development of the home movie consumption market.

People, particularly in the UK, view cinema as affordable out of the home entertainment and an indulgence.

Whilst cinema has an appeal to all age groups from 5 to 95, the characteristics of the cinema audience for mainstream cinema, is younger than that of the general population.

In recent decades, the largest cinema going group has been the 18 – 24 age range; 38% of the audience (UK population = 16%).

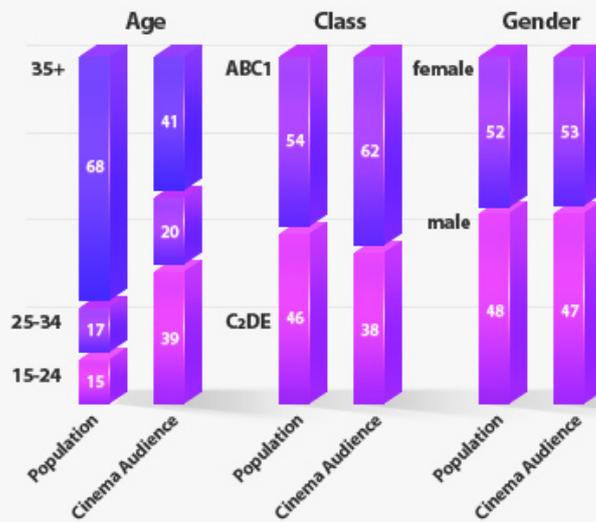
Significantly though, the 35+ age groups are a growth market for cinemas in recent years and, particularly in the UK, family groups generate strong cinema revenues. This is could be attributed to three reasons:

1. More cinemas showing what were traditionally seen as art-house product.
2. Today's 35+ generation is the original multiplex generation, so cinema going is more of a habit than in previous generations.
3. People are having children later in life, thus the family audience has an older parental profile.

The majority of cinema customers fall into the ABC1 socio economic groups. 62% of the UK audiences fall into the ABC1 categories compared with a UK population average of 54%).

15+

Cinemagoers who are young and upmarket

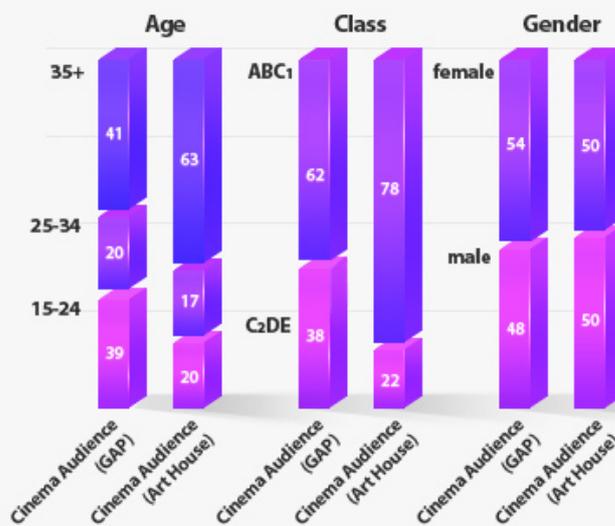


Source: CAA 2010

The art house audience is rather different, with an age profile very close to that of the UK population overall, but even more skewed towards higher socio-economic groups than mainstream cinema-goers as a whole.

Art House

The art house cinemagoer is older and more ABC1



Source: Rentrack LTD 2008/2009

In summary, whilst cinema goers in the UK still tend towards the younger market, cinema appeals to the young at heart too – the 35+ generation who are affluent, and value their leisure time.

2.3 Digital Cinema and the changing Cinema Business Model

All commercial cinemas are re equipping to digital projection technology. Not only does this improve quality with crystal clear, ultra high definition images, but also opens up new potential revenue streams for cinemas.

The obvious new arrival with digital has been 3D movies. Since the highly successful release of Avatar in 2009, it is now generally accepted that, in commercial terms, 3D has passed its peak. However, the industry expects 3D to stay part of the release mix with all the major studios continuing to invest in 3D movies.

The digital technology allows many other forms of content to be included in the cinema schedule and generally, more flexibility. So, the extended benefits include:

- Screening of additional on screen content such as live Opera, theatre, sports transmissions
- Educational ('edutainment') content aimed at school groups eg Cinema Park
- Corporate hires with presentations on screen
- Live by satellite Directors' Q & A's
- Flexibility of programming of films – greater mix of mainstream and non-mainstream
- Greater flexibility to re-programme during the trading week to meet consumer demand
- Greater options in the use of the cinema for both commercial and community use.
- A more flexible staffing model. A central management system replacing the need to have manned projection booths.

In addition to the changes created by digital, the established spend pattern from UK consumers is changing. Cinemas are seeing a clear reaction against ever increasing prices and portion sizes for cola, popcorn and nachos.

In price sensitive times and with a push for more healthy consumption, cinemas have seen revenues decline from traditional core products and are now moving towards a more varied range of products such as quality coffee and fruit drinks. Café bar areas are also being introduced to increase dwell time and, with relaxed licensing legislation, encouraging alcoholic drinks to be taken into the screens.

The location of the cinema also plays an important part in its success. Most cinemas now are situated in mixed use developments, which also offer a range of places to eat and possibly more leisure. With more meals than ever now be eaten outside the home, the 'night out' of a meal and a movie is seen as extremely attractive to today's cinemagoers.

It is our view that, moving forward, cinema will need to pay more attention to their environment and present a good value night out that is in line with more discerning customers' wishes. Cinemas presenting a cheap or tired fit out charging inflated prices will continue to see admissions decline.

2.4 The Key UK Cinema Operators

The UK multiplex market is dominated by three main players, who combined represent over 80% of the market. Details of each below:

Odeon Cinemas:

Owned by the Terra Firma Private Equity Co, Odeon (and UCI in Europe) are the largest cinema circuit in Europe. By site numbers, they remain the largest circuit in the UK, but have been recently overtaken by Cineworld as the largest circuit by Box Office Gross.

Their estate now has a high number of ageing properties, many of which appear out-dated and in need of refurbishment. This has led to decreasing admissions at certain sites over the last five years.

As an estate strategy, they have recently acquired existing sites from Storm in Ireland and Reel in the UK. Investment has taken place at larger sites to include Imax screens and they have launched a trial concept at both Swiss Cottage and Whiteley's, Bayswater of a VIP offer, sub branded The Lounge.

Odeon have shown selective interest in signing new sites and particularly look to protect markets they are historically strong in (eg Liverpool One and relocating in MetroCentre, Gateshead).

Cineworld:

The only publicly listed UK cinema operator, Cineworld have become the dominant multiplex operator in the UK over the last five years. This was partly achieved by the merger of the former UGC cinemas estate.

With clear strategy and well maintained estate, Cineworld are well placed for further growth.

In 2012, Cineworld have added Imax screens to their estate and are trialling a VIP format as part of their offer in Cheltenham.

Cineworld continue to look for new development opportunities in the UK and have explored potential acquisitions in mainland Europe.

Vue:

The third largest UK operator. Along with Odeon and Cineworld, represent around 75% of all UK admissions. Formed out of the original Warner Village circuit, Vue have a strong, well maintained estate. Their London offer is particularly strong, especially with recent additions of the two Westfield shopping centre sites. Vue have recently acquired the small Apollo UK circuit.

Outside of the Westfield sites, which feature VIP offers, there seems to be a reluctance to vary from the tried and trusted popcorn and cola led multiplex format.

Vue remain active in the market, particularly for 7 – 10 screen development opportunities.

National Amusements (Showcase Cinemas):

Owned privately in the US, NA continue to have a strong interest in the UK. Their original estate was developed in the 1990's, building large out of town freehold sites. After a number of years of inactivity, NA signed to 3 large retail developments and opened their Cinema De Lux concept in 2008. This was an upmarket offer, with a restaurant offer and luxury screens.

NA are currently looking for new sites in the UK for their De Lux brand and have recently committed to Croydon Centrale with Hammerson.

Empire:

A smaller chain formed out of forced OFT sale of sites following the merger of Cineworld/UGC and Odeon/UCI. They have shown little development aspiration since that time.

Outside of the above circuits, there a number of independents and small chains active in the market.

These include Picturehouse (a predominantly art-house chain, which has recently been purchased by Cineworld)

Everyman: from the original site in North London, Everyman has expanded out to more 1 & 2 screen cinemas and are building a new cinema in a centre in Leeds.

Reel: Having recently acquired 4 sites from Apollo, Reel now have 16 UK sites with 65 screens. Reel specialise in smaller town locations with 4 – 5 screens per site.

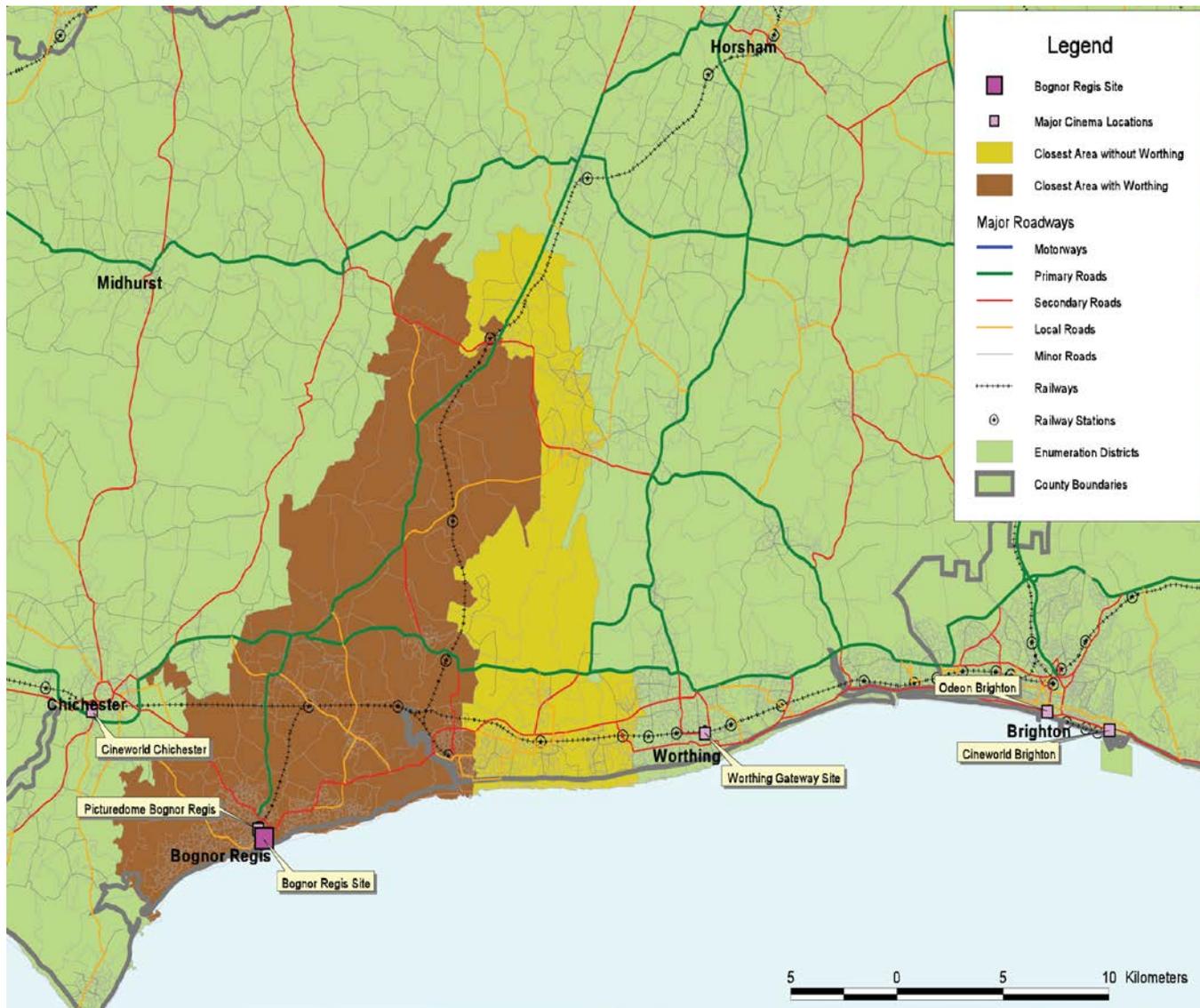
Curzon: similar approach to Picturehouse, specialising in smaller arthouse and local community cinemas.

WTW Cinemas: Independent operator specialising in Southern England multi-screen cinemas.

3. The Bognor Regis Catchment

Demographic Key Indicators:

- The town of Bognor Regis has c. 65,000 people in the immediate catchment. The wider Arun District, including Littlehampton, Arundel and Bognor, houses c. 150,000 people.
- It is reported in Arun District Council's Draft Local Plan, that over 7,200 new dwellings will be built in the borough by 2028. This is significant when looking at appraisals for potential future cinema admissions as this could lead to an over 10% increase in population.
- In cinema catchment terms, the core customer base usually extends out to a 20 minute drivetime area, which comfortably includes all of the Arun area.
- Shown as Appendix 1, is Study Area Catchment data. Using the 2001 Census, we have plotted existing cinemas, including the main existing competitor to Bognor Regis, the Cineworld in Chichester.
- We have then determined the population number and profile for those that would see Bognor Regis as their nearest cinema offer. This currently totals 165,515.
- We are aware that a development, including a multiplex cinema, is planned in the Teville Gate scheme in Worthing. With that in mind, we have also looked at the same data, but with the assumption that a cinema development happens at some point in Worthing.



- With the Worthing potential, taken out, the catchment for Bognor Regis cinemas reduces to 104,334 (again, see Appendix 1).
- Looking at the population profile, the data suggests a largely positive outlook for cinema businesses. Bognor has a higher than average older population. This, in itself is not concerning as 65+ age groups are a growth sector for cinemagoing. However, the higher than average 75+ age group demographic would pull down the average.
- It should be noted, that we have not included any potential cinema admissions from the visitor trade to Bognor. This would be quite sizeable, particularly in the summer months. During the Easter and summer holidays, the family market becomes very important with major releases held back to coincide with these periods. Cinemas situated in

seaside towns are known to over perform during these key times due to the incremental business generated by resort visitors.

4. The Arun District Cinema Market

In Bognor, the market is currently served by the Picturedrome, 2 screen traditional cinema based in the centre of town.

The Butlins Holiday Camp included a two screen cinema up until 2012 but we have been informed that this has been discontinued.

The Windmill Theatre in Littlehampton has traditionally held cinema performances but has recently announced that these will be discontinued as of February 2013.

4.1 The Picturedrome

The Picturedrome is situated near the railway station in the heart of the town. It has a long and interesting history and is fondly thought of by the people of the town.

With its addition of a second screen and regular investment, it is a good example of a traditional style, independent cinema. The cinema has invested in digital projection equipment which is vital to maintain supply of mainstream film content.

The film release schedule at The Picturedrome is predominantly focused on first run, mainstream film. With only two screens, there is a limit on the choice of movies that can be played at any given time. This is overcome to some degree by the policy of showing more than one film on each day in each screen. The downside of this being that less choice in performance times is available to the customer.

Along with mainstream release, the Picturedrome has quite an extensive programme of 'Alternative Content' features. With the move to digital projection, cinemas have successfully shown live broadcasts of Theatre, Ballet and Opera. These are all featuring at the Picturedrome.

The pricing policy at the Picturedrome presents admission tickets at £2.50 in the week and £3.50 at the weekends.

By normal UK cinema pricing standards, this is considered to be at the low end of the scale. Most independent cinemas in the UK charge between £5.50 - £6 midweek and between £7.00 - £7.50 at weekends. A recent website investigation, using a cross section of small cinemas across all areas of the UK backed up this general pricing approach.

For Alternative Content performances, the Picturedrome is charging either £10.00 or £15.00. This is a standard UK approach to such performances and highlights the large gap between the film performance pricing and that of Alternative Content performances.

To summarise our view on the Picturedrome, we would present the following Pros and Cons for this cinema:

Pros:

- Good town centre location
- Interesting cinema building with strong heritage
- Well maintained
- Digital projection installed
- Well programmed – within limitations

Cons:

- Two screens only – limiting programming
- Pricing structure – not in line with UK norm.
- Small foyer – limits ancillary sales potential
- Lack of supporting bars and restaurants
- Lack of immediate car parking
- Younger audience would want a more modern cinema experience
- Leakage of admissions to Chichester due to programming constraints.

5. Potential for Additional Screens in Bognor / Arun

On a UK wide basis, the average cinema visits per capita is 2.8 per annum. This includes areas that are not well served with cinema provision. In areas where good multiplex provision is evident, the per capita figure is often as high as 5+ visits per annum.

Using the data shown in Appendix 1, we have calculated the potential annual cinema admissions for the Bognor catchment to be **313,000**. This is calculated at 3 times the exclusive catchment of 104,334.

For the purposes of caution, we have calculated this, excluding any admissions from the Worthing catchment, on the assumption that the cinema development in Worthing takes place. Further admissions potential could be

included if this development does not occur.

The 313,000 admissions would need to be shared between the new cinema development and the Picturedrome.

A commercially successful new cinema with several screens, would look to operate at the rate of selling each seat around 375 times per annum. (Occupancy rate). For a traditional cinema, this Occupancy Rate is typically lower, at around 250.

We therefore consider that the Picturedrome could trade at a level of 300 seats multiplied by 250, giving **75,000** annual admissions.

In our view, the new cinema would ideally feature 5 screens to offer a good range of films. If this was to accommodate a total of 635 seats, multiplied by an Occupancy Rate of 375, would give an annual admissions figure of **238,000**

Based on our analysis of the market, we are confident that there is sufficient demand for a smaller independent cinema to co-exist alongside the proposed multiplex. It is also our opinion that there will be market demand for a small multiplex from a number of UK cinema operators on commercial rental terms.

6. Benefits of New Build Multi Screen Cinema Development

Since the first new multi-screen cinemas arrived in the mid 1980's, this style of cinema has been the commercially accepted model of choice, across all regions of the UK.

Although not always loved by more traditional cinema goers, this cinema model has increased choice and often exhibit between 10 and 15 different films per week.

Since the 1990's, new build cinemas have featured stadium seating, with high quality sound and projection standards and comfortable seating.

An early accusation of the new multi-screen cinemas was that they catered almost exclusively to Hollywood studio movies. This has changed in recent years with a more varied programme successfully targeting families and 25+ age groups.

A wider range of films is now on show, with many films that once would have been considered as art house fair, crossing over to a wide, mainstream audience. Good recent examples of this would be The Artist, Quartet, Les Misérables and Zero Dark Thirty.

Three-quarters of UK cinema screens are now in multiplexes (defined as new

build cinema complexes of more than five screens, excluding conversions of traditional cinemas to multi-screen use). Most other screens are in traditional High Street cinemas (742 screens) or art centres and the like (168), though there is also a scattering of large format screens (see the note to the table below).

Cinema Screens 1995-2009

	New Build	Other	Total
1995	730	1275	2005
1996	869	1353	2222
1997	1089	1260	2349
1998	1357	1224	2581
1999	1624	1134	2758
2000	1874	1080	2954
2001	2115	1049	3164
2002	2299	959	3258
2003	2366	952	3318
2004	2426	916	3342
2005	2453	904	3357
2006	2512	928	3440
2007	2578	936	3514
2008	2689	921	3610
2009	2749	916	3665

Since 2010, new build cinema development has slowed dramatically, mainly due to the economic climate holding back development funding.

Shopping Centres though are planning at least 15 new cinemas for the next five years, as these are seen as good use of commercial space with the downturn of many retailers.

Cinemas by Number of Screens - February 2010

	Sites	Screens
Twenty-five	1	25
Twenty-three	1	23
Twenty	2	40
Eighteen	1	18
Seventeen	1	17
Sixteen	7	112
Fifteen	5	75
Fourteen	24	336
Thirteen	10	130
Twelve	35	420
Eleven	14	154
Ten	37	370
Nine	43	387
Eight	39	312
Seven	25	175
Six	36	216
Five	22	110
Four	41	164
Three	58	174
Two	85	170
One	237	237
Total	724	3665

7. St Modwen's Development Plan – The Regis Centre Site

From our quite limited investigations into the St Modwen's proposals, we would comment as follows:

- Location: seems well placed for a new cinema with good transport links. The site is also well placed for casual visits from day visitor trade.
- The restaurant terrace is complimentary. We would suggest that mid-range diner style restaurants are sought (rather than fast food).
- With additional car parking provided, the scheme would be even more attractive.

It is clear that many people within the Bognor Regis area would be attracted to the facilities and varied film offer that a new cinema would provide and that many of those potential customers are currently travelling to Chichester for their cinemagoing experiences.

Seeing the development of a new cinema would clearly bring economic benefits to the town. The number of annual cinema visits kept within the town would rise significantly with the associated additional expenditure, including income from visitors. Jobs would be created (c. 20 full time equivalent roles – most recruited locally). Additional expenditure and employment would also be created from the supporting restaurant units.

8. The Picturedrome

We do not have access to any financial data for the Picturedrome so cannot comment on its current or future profitability levels.

However, it is our view that, if the Picturedrome retains 75,000 annual admissions, then the site should remain viable. Much of this will depend on the average ticket price achieved (see 8.1 below)

8.1 Future Prospects

It is clear that any new cinema development within Arun would have an impact on the Picturedrome. Such competition would mean that the Picturedrome would have to play to its strengths (detailed in 4.1 above).

Options that could be reviewed are as follows:

- Pricing: The Picturedrome is one of the cheapest cinemas in the UK. Although this might be attractive to its current customers, we do not see this strategy as one that is sustainable.

Our strong recommendation would be that prices are moved to closer to the UK norm (Adults £5 midweek, £6 at weekends) which would still represent a good value night out.

On top of this, tactical pricing can be introduced to encourage custom in off peak slots, eg. Cheap day Tuesdays, Senior prices, family tickets etc.

The alternative content programming at the Picturedrome appears to be successful and these are pitched at standard UK prices for such shows (£15 / £10). In our view, the gap between the two pricing structures is too great and this needs to be addressed.

- Programming: Independent cinemas are often successful up against a multi-screen cinema competitor when they differentiate on programming.

One example of this would be exploring more independent, international and arthouse films, playing to a different audience than Hollywood mainstream movies.

- Media Salles: This is a European organisation offering grants to cinemas that support independent film. Many UK independent cinemas are in this funding scheme.
- More and more content is becoming available for cinemas, including opera, ballet, theatre, sports and education. A good area to consider as part of a new mix.
- Film Club / Loyalty: More marketing could be introduced to reward loyal followers of the Picturedrome. One strength of independent cinemas is that they often have regular customers. These could be encouraged to attend more often with a suitable loyalty programme.
- Social Media: linked to the above, cinemas are now encouraging customers to suggest movie favourites / seasons and booking accordingly when a certain amount of 'Likes' is reached.

8.2 Film Distribution

It is our view that, if a new cinema is developed at The Regis Centre, then the Picturedrome would still be able to programme all the films that it chooses. We have demonstrated that there is sufficient market space for two cinemas within Bognor and so we do not see issues involving film distribution.

The UK film distributors' recognise that most films have only a short theatrical

shelf life. This means that to maximise revenue potential, they need to release films in as many cinemas as possible on the release date, to capitalise on the marketing campaign.

Also to note, is that the UK film industry has been subject to a number of Office of Fair Trading investigations over the years. This has led to distributors being cautious on favouring one exhibitor over another. Decisions need to be made purely on an individual commercial basis.

Digital projection has assisted this wide release strategy as, print cost are drastically reduced from the previous era of 35mm film prints being shipped around the country.

This is particularly of benefit to the smaller distributors, who often release films aimed at the more discerning cinema goer.

9. Comparison UK Cinema Markets

As can be seen in the chart in Section 6, 322 of the 724 UK cinema sites have either 1 or 2 screens only. This clearly demonstrates that, whilst the multiplex venues dominate the box office, smaller cinema can survive and flourish with the right commercial strategy in place.

Good examples of markets where small cinemas co-exist with multiplexes in the same catchments are seen at:

Bath, Bury St Edmunds, Eastbourne, Exeter, Gloucester, Ipswich, Oxford, Southampton, Shrewsbury.

10. Summary

Our analysis has shown that there is sufficient space to accommodate both a new multiplex and the Picturedrome with the Bognor Regis catchment.

There are clear economic benefits for the town in seeing a new cinema developed in terms of incremental immediate spend, linked spend (ie restaurants) and employment.

It is also our belief that the Picturedrome can continue to draw a good number of customers. To be commercially viable though, a review of the programming and pricing strategy may be necessary.

Keith Pullinger

Dcinex Consulting

Appendix 1:

Study Area Key Statistics

Bognor Regis, UK Thursday, 31 January 2013	England & Wales	Closest Area Without Worthing	Closest Area With Worthing
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Population & Age Profile

Population

Total Population	52,041,563	165,515	104,334
Total Households	21,661,224	73,512	45,961
Average Household Size	2.4	2.3	2.3

Age

0 to 4	5.9%	5.0%	5.0%
5 to 9	6.4%	5.6%	5.5%
10 to 14	6.6%	5.8%	5.8%
15 to 19	6.2%	4.9%	5.1%
20 to 24	6.0%	4.3%	4.7%
25 to 29	6.6%	4.6%	4.9%
30 to 44	22.5%	19.2%	19.6%
45 to 59	18.9%	19.5%	19.4%
60 to 74	13.3%	17.6%	17.0%
75 & over	7.6%	13.5%	12.9%
Average Age	38.8	44.4	43.8

Workforce

Workers per Household	1.1	1.0	1.0
Workforce Participation (16 years plus)	62.8%	62.5%	63.0%
Unemployment	1.5%	1.1%	1.2%

Occupation

Managers and senior officials	15.1%	16.3%	15.7%
Professional occupations	11.2%	9.2%	8.8%
Associate professional and technical occupations	13.8%	12.6%	12.0%

Administrative and secretarial occupations	13.3%	13.6%	12.8%
Skilled trades occupations	11.6%	13.2%	13.7%
Personal service occupations	6.9%	8.8%	9.1%
Sales and customer service occupations	7.7%	7.7%	7.9%
Process; plant and machine operatives	8.5%	6.9%	7.3%
Elementary occupations	11.9%	11.7%	12.5%

Car Ownership

0 cars	26.8%	20.8%	22.5%
1 car	43.8%	46.5%	46.0%
2 cars	23.5%	26.1%	25.0%
3 cars	4.5%	4.9%	4.7%
4 cars plus	1.4%	1.8%	1.7%
Average Cars per Household	1.0	1.0	1.0

Housing Tenure

Owns outright	29.5%	41.2%	38.9%
Owns with a mortgage or loan	38.8%	37.0%	37.1%
Shared ownership	0.6%	0.9%	0.9%
Rented from Council (local authority)	13.2%	5.7%	6.2%
Rented from Housing Association etc	5.9%	4.4%	3.7%
Rented from Private landlord or letting agency	8.7%	8.1%	10.2%
Rented from Other	3.2%	2.7%	2.9%

Dwelling Type

Separate House	22.8%	35.9%	32.2%
Semi, Row or Terrace	57.6%	43.0%	42.9%
Flat, Unit or Apartment	19.2%	20.0%	23.3%
Other Dwellings	0.4%	1.1%	1.6%

Family Type

Family with Children	20.8%	17.5%	17.4%
Family without Children / Non-Dependent Children	24.0%	23.5%	23.5%
One Parent Family	9.5%	7.3%	7.5%
Lone Person	30.0%	32.2%	32.9%
Group	3.0%	2.2%	2.4%
Other Households	3.6%	2.5%	2.8%

Education

No qualifications	29.1%	28.4%	29.1%
Highest qualification attained level 1	16.6%	18.0%	17.9%
Highest qualification attained level 2	19.4%	21.6%	21.3%
Highest qualification attained level 3	8.3%	7.7%	7.6%
Highest qualification attained level 4/5	19.8%	15.9%	15.6%
Other qualifications/level unknown	6.9%	8.3%	8.4%

Ethnic Origin

White British	87.5%	96.0%	95.9%
White Irish	1.2%	0.8%	0.8%
White Other White	2.6%	1.7%	1.7%
Mixed White and Black Caribbean	0.5%	0.1%	0.1%
Mixed White and Black African	0.2%	0.1%	0.1%
Mixed White and Asian	0.4%	0.2%	0.2%
Mixed Other Mixed	0.3%	0.2%	0.2%
Asian or Asian British Indian	2.0%	0.2%	0.2%
Asian or Asian British Pakistani	1.4%	0.0%	0.0%
Asian or Asian British Bangladeshi	0.5%	0.2%	0.2%
Asian or Asian British Other Asian	0.5%	0.1%	0.1%
Black or Black British Black Caribbean	1.1%	0.1%	0.1%
Black or Black British Black African	0.9%	0.1%	0.1%
Black or Black British Other Black	0.2%	0.0%	0.0%
Chinese or other ethnic group Chinese	0.4%	0.2%	0.2%
Chinese or other ethnic group Other Ethnic Group	0.4%	0.1%	0.2%

Appendix 2: More about Dcinex Consulting

Dcinex Consulting is an international management consultancy business specialising in the Cinema Exhibition and wider leisure market.

Core activities include:

Advising property organisations, investors and developers in leisure developments, particularly where cinemas form a key component.

Advising Local Authorities on suitable leisure provision

Specialist advice and management support to cinema operators

Advice on locations, demographics and market potential

Viability studies and market appraisals

Expert Witness for planning, consultation and legal hearings

Advice on acquisitions, disposals and property management

Cinema and Leisure operational management, including managing independent cinemas in the UK and Europe

Revenue generation practices and procedures

Marketing support function

Procurement and supply arrangements and project management

Digital Cinema and the evolving cinema business model

Examples of Local Authority Appointments / Relevant Work:

2008: London Borough of Hammersmith & Fulham.

Appointed to advise on Tesco plan to redevelop existing cinema site in Hammersmith.

2009: Warrington Borough Council

Engaged to produce evidence for a planning enquiry regarding an edge of town cinema led scheme.

2011: Oldham Council

Appointed to produce an extensive report on potential cinema demand in the borough, identify key development opportunities, financial appraisals, market demand, design support. Appointment ongoing.

2012: London Borough of Barking and Dagenham.

Appointed to produce a market potential report for potential town centre cinema and leisure schemes. Identify suitable sites, study financial viability and market demand.

2012: Breckland Council.

Appointed to produce a report on cinema market demand and assess commercial viability and demand for a council selected development opportunity.

2012: Welwyn Hatfield Borough Council.

Appointed to advise on Campus West community cinema expansion

Dinex UK Directors:

John Sullivan

John, is a long term property professional and from 1975 through to 1992 focused on commercial and residential real estate initially in Melbourne, Australia and in the latter five years throughout Australia representing Coles Supermarkets and Fyna construction group.

In 1992, through Fyna constructions, initiated several mixed use developments in Melbourne and Sydney anchored by small multiplex cinemas.

The success of these schemes came to the attention of Village Roadshow Ltd the market leader for cinemas in Australia and John was engaged to initiate their nationwide megaplex strategy.

In 1996 and after successfully identifying and securing 12 sites for Village Roadshow John was seconded to Warner Village Theatres (UK) Ltd to lead their development programme in the United Kingdom. Through 1996 to 2000 over 25 sites were identified and secured on behalf of the Warner Bros and Village Roadshow partnership. These sites are still successfully trading under the VUE brand.

In 2000 John was again seconded to the Cheil Jedang (mother company of Samsung) and Village partnership in South Korea trading as CGV Cinemas. From 2000 through to 2002 10 sites were identified, secured and developed and CGV are now the market leaders in South Korea.

In 2002, John returned to the UK and set up his leisure consultancy group trading as OzSeeker Ltd. and although cinema groups were continuing their moratorium on new cinema development he set up a strong practice advising property groups with a long term development strategy (Westfield, Hendersons, Land Securities, Hammersons, Multiplex, Centros Miller, ING, St Modwen etc) in addition to advising international clients (CGV, Warners, Village etc), on cinema development and strategy through markets in Europe, Russia and Asia.

In 2004 John was approached by Edwards Holdings to put together a team to design, build and operate a cinema in the heavily competitive Galway market. The outcome has been an overwhelming design and operational success.

Also in 2004 John entered in to a two year contract to work with VUE cinemas on both its development and consolidation programme.

In 2006 John teamed up with Keith Pullinger to form Cinema Next (now dcinex Consulting) and The Light Cinemas, with the aim of developing the next generation of cinemas utilising digital technology and recognising the more discerning demands of the leisure customer.

In 2008, The Light opened an 8 screen cinema in Bucharest, Romania followed by further successful independent cinemas in Germany and the UK.

Keith Pullinger

Keith has 26 years' experience in the Cinema Industry and was a board director for 12 years at Virgin and UGC Cinemas.

He was responsible for Business Development at both Virgin and UGC, expanding their circuits by adding through new development and acquisition some 21 new cinemas with 259 screens to the Virgin and UGC portfolios in the UK and Ireland. This portfolio of development has an excellent return on investment profile.

As part of his brief, Keith was responsible for concept development and spearheaded the Virgin Cinemas offer which included licensed bars, VIP screens, movie memorabilia stores, cafes and self service concessions. This was developed further under UGC to a more up market inclusive cinema offer.

Management of all fit out programmes and budgets, on-going property, maintenance and purchasing costs were included in his brief.

He gained international experience, working on cinema developments in France, Spain and Japan.

Two of the developments Keith was responsible for in Glasgow and Dublin have the heaviest footfall in the British Isles, both with admissions close to 2,000,000 p.a. and profit at EBITDA of £2-3million p.a.

He also has vast cinema operational experience and was Head of Retail for MGM Cinemas.

In 2005/6 Keith has acted as a consultant to both Optimum Releasing (Studio Canal) and The Works Media Group on potential entry into the UK Cinema industry.

Along with John Sullivan, formed Cinema Next (now dcinex Consulting) and The Light Cinemas in 2006.