



Studio Wars

Content streamers are fiercely battling to attract and retain subscribers to streaming platforms. With this competition comes the greater need to produce brand new, high-quality content to attract the viewers' attention.

Although that's great news for viewers, this surge in production brings new challenges for production companies. There's simply not enough filming and prop storage space to go around. Despite new locations being built across the UK, demand is expected to significantly outstrip supply for the foreseeable future.

The industry is responding to this bottleneck with its usual creativity. Churches, farms, abandoned warehouses, and even old IKEA stores, are being repurposed for filming or prop storage.

But what does creating new facilities mean for content creators? What legal and practical risks do they bring? In this video, I'll outline the top five practical concerns that production companies should look out for:

Picking the right property is key.

Beyond the location, accessibility, and square footage, you'll need to consider the state of repair of the property and its suitability for the planned use.

Ideally, a professional survey should be carried out, identifying any structural issues, general dilapidations, environmental concerns or hazardous materials, like asbestos.

The Owner's title should also be carefully reviewed to ensure there are no onerous restrictions or further consents needed.

Next is picking the right company entity.

Ideally, the Special Purpose Vehicle created for production expenses should be the entity put forward to purchase the property, allowing the SPV to maximise potential tax reliefs and allowances. It's important to remember that it can be cumbersome assigning or subletting leasehold property from a parent company to an SPV.

SPV's rarely have an established trading history or large cash reserves. So, production companies should be prepared to provide cash deposits, rent upfront, or even guarantors, to supplement covenant strength in some cases.

Third is getting the permissions right

The location's use classes must align with the planned use of the spaces. Old farmhouses, churches or open land may have agricultural restrictions that make filming or storage trickier. Time should be taken to ensure that the correct use class is in place, and if it's not, that a change of use application will not be resisted by the local council.

The same principle goes for any property upgrades such as structural or external works. If express planning permissions will be required, it's crucial to clarify early-on that these permissions are in place and that such works won't be blocked by the local authorities.



Now onto picking your professional team

Backing up your in house team with specialist construction and planning knowledge is vital to prevent spiralling costs. Identifying this issue early on and responding with an experienced and collaborative team, will ensure that filming timetables don't slip. Roles, timetables and deliverables should be clearly controlled under robust hire contracts.

Finally, and this is entirely subjective to your needs, but there are ways to answer the age-old question "are we getting good value for our money?"

The asset itself is just one of them. Purchasing a freehold interest in a space will secure long term value, but it will also mean more up-front costs. Contrastingly, a leasehold interest can result in more manageable initial costs and improve cashflow, but any capital upgrades will be lost when the lease ends. Landlords can be asked to bear the brunt of some of these initial costs, again saving capital for the studio.

There's no doubt that these challenges will continue over the coming years as the battle for subscribers intensifies. We're looking forward to seeing the industry continue to adapt with its usual creativity and to helping clients through this challenging period.