



Escape Room City - Concept Document

Escape Room City, as the name might imply, aims to be *the major hub* for Escape Room Games in any given city.

Aside from being an incredible venue for escape room fans, it will provide an opportunity for enthusiasts to bring their ideas to life and earn a great income from their games.

With enough interest from players & escape room operators the **Melbourne location** will commence construction on 21st March 2019, at a location to be announced upon approval of permits (City of Melbourne).

To our knowledge it will be one of the largest (if not the largest) Escape Room Venue in the world.

Escape Room City aims to open with ~24 Escape Room Games of ~30 square metres per game (similar in size to Chapter One - The Lost Tomb @The Mystery Rooms)

Escape Room City will also contain a cafe and merchandise shop, a conference/presentation space, a birthday party room, a communal workshop area, private bus and car parking onsite amongst "client only access" to a workshop, tech supplies shop and a range of professional inhouse build and design services onsite.

Escape Room City will be accessible and have amenities for players in wheelchairs - although individual designers will ultimately decide if they design their games suitable for players in wheelchairs - it will not be compulsory.

Pricing and Game Requirements

Escape Room City will be centrally managed and operated covering many aspects detailed further on in this document.

With respects to pricing, 2019 tickets will be fixed at \$30 per customer with groups of 2-6 players permitted in the games. The game duration at this stage will be 40 minutes with a 20 minute reset period allowing games to operate once per hour. To encourage multiple bookings discounted "packs" of games will be available, but discounts will **not** affect owner earnings.



Customers will receive login memberships and all room times will be automatically tracked and submitted to Escape Room City leaderboards online - Further discounts to other rooms around Melbourne may also be earned.

Summary

Ticket Prices	\$30 Per Player
Group Size	2-6 Players
Time Limit	40 Minutes

Starting Your Own Side Business

Starting your own escape room business at Escape Room City is easy, but spaces are limited to 36 games and we expect interest to be very high - these spaces are also open to current Escape Room operators to expand and reach a new 'tourist' audience.

The monthly lease price for each game is only \$1,500 (inc GST) - well below the average rent needed to host a room in the City of Melbourne.

Escape Room City will hold a bond of 2 months rent with owners launching on a 12 month - 6 year lease.

Escape Room City to offers free rental periods during the build stage between 1st April - 21st June.



Summary

Monthly Lease	\$1,500 (inc GST)
Bond	2 months
Discount Rent (1st April - 21st June)	Free Rent

Your Escape Room Space

Escape Room City provides a complete “Game Shell” (~30 square metres) with integrated 12v power and Cat 6e data cables throughout the space. This means that you have opportunity to design your puzzle and have very little “hard wiring” of any solutions.

The shell is likely to be divided into 2 areas each with the “forwarding doors” already built with mag-locks and emergency exit buttons. The entrance door will never be locked.

Both areas will have compliant ventilation to ensure air flow and cooling.

At this stage we don’t plan to provide or allow mains voltage to the game areas but will allow a dedicated and independent 12V supply to each game.

Escape Room City will also provide dimmable and adjustable LED spot lighting throughout the game space, but owners are welcome to adopt their own solutions in a safe and legal way.

Other than this, owners are free to build and adjust the space to their needs, but must return the space to its original state if you decide for any reason to discontinue your business.



Escape Room City Charge & Fees

An Escape Room City charge of \$25 + GST is applied to each booking as a transaction and operation fee.

This covers:

- Booking system costs
- Merchant transaction fees
- Briefing area, administration, hydration
- Staff to run the game
- Staff to reset the game
- Website/Sales/Marketing/Customer Service
- Council rates etc

In addition a 2.5% revenue fee is applied to the booking to cover escalating costs:

- Energy bills
- Insurance
- Cleaning

GST will need to be paid either through us, or directly between yourselves and Tax office (tbc)

Revenue - Costs - Owner Profit

Owner income is protected in the event of a discount or promotion*. (*Education/charity discounts may be shared)

Discounts and promotions will be accounted for within Escape Room City Fees. (*as above)

A simple income table will look as below - although depending on whether our recipients are GST registered or not - there may be an alternative GST flow structure (to be confirmed).

(Indicative average booking size has been based on some market research at Escape Rooms in Melbourne)



Players	Revenue	Operations Cost	2.5% Fee (+GST)	Net Profit
2	\$60	\$25+GST	\$7.5	\$25
3	\$90	\$25+GST	\$11.25	\$51.25
4	\$120	\$25+GST	\$15	\$77.50
5	\$150	\$25+GST	\$18.75	\$103.75
6	\$180	\$25+GST	\$22.50	\$130
Indicative Average (3.8)	\$114	\$25+GST	\$14.25	\$72.25

Monthly sessions to break even.

\$1,500 / average booking \$72.25 = 20.76 sessions per month.

Weekly sessions to break even.

\$346.15 / average booking \$72.25 = 4.79 sessions per week.

Use Escape Room City or Establish Independently?

There are so many advantages to using Escape Room City that the list really could get silly. Below are just a few obvious items we can see as main advantages & disadvantages over trying to set up independently.

Advantages

- Huge savings on overheads, great location & high customer traffic
- Huge savings in set up cost/investment
- No staff costs whenever you redesign/update
- Access to huge school/corporate private hire business - unique offering (144 players can play simultaneously)



- No staff costs when not running games (but always open for walk-in business)
- Incorporated website/SEO/marketing costs (although of course you can create a page and advertise your game)
- Incorporated additional clearing system costs
- Incorporated insurance premiums & public liability
- No annual trading name costs
- Fire Safety Compliance, First Aid & Working With Children checks
- Security of lease
- Access to workshop area
- Access to hire in-house specialists for tech puzzles
- Access to hire in-house tradesmen for physical build
- Access to hire in-house artist for design
- Stock of tech parts on site at cost price

Disadvantages

- No flexibility to increase the physical size of the game
- No flexibility to work outside of Escape Room City pricing or game time structure

Expressions of Interest

While there might be some entrepreneurial individuals out there (and we'd welcome them with open arms) the real fun of creating escape rooms is doing it as a team!

A collaborative collection of brains designing the puzzles also helps create a flow that suits all types of players too.

If you think you'd enjoy the challenge of designing, building and owning your own escape room game please e-mail me directly at tom@secret.ceo