

RETAIL IN DETAIL.

Knight Frank



10TH MAY 2013

WEEKLY RETAIL NEWS HIGHLIGHTS FROM AROUND THE MARKET

KNIGHT FRANK RETAIL NEWS

General Retail News

Battersea Power Station's development company is considering reconfiguring its £8bn development plans so that phases two and three – the redevelopment of the power station and the development of a major shopping high street can be brought forward together while the retail element can be increased to as much as 1m sq ft.

Supergroup the British company behind the Superdry fashion brand, posted a 15.3% rise in fourth-quarter sales and said it will increase its rate of expansion in 2014.

The Shard at London Bridge is putting fine dining on the menu with a trio of restaurant openings. Oblix from the chef behind Zuma which opened this week, Hutong serving cuisine from Northern China which is set to open in June and Aqua Shard who will be sourcing ingredients from the British Isles.

Five Guys the popular US burger chain, has confirmed it will open its first UK site in the former Long Acre bar unit in Covent Garden.

Whittard of Chelsea the coffee and tea specialist has recorded its total sales to have increased to £31.8m with retail sales accounting for 80% of Whittard's revenue. The retailer closed nine marginal profit making stores in the year to bring its UK portfolio to 63 stores.

Sainsbury's the supermarket chain has reported that pre-tax profits fell by 1.4% to £788m despite sales rising by 4.5% to £23.5bn for the year to 16 March 2013.

Arcadia Group has lodged plans for a major redevelopment of the 300,000 sq ft Plaza Shopping Centre and offices on Oxford Street. The plans include a 73,500 sq ft flagship store and see the east end of London's famous retail pitch continue to benefit from major rejuvenation.

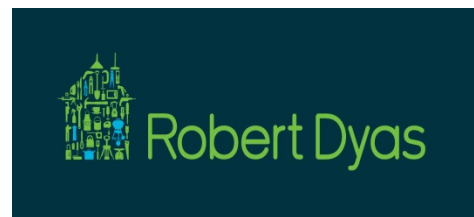
Jimmy Choo the high end fashion house opened a new men's boutique in London, replacing the previous shop in Burlington Arcade. The 1,200 sq ft store is over two floors set in an historic Georgian townhouse at 35A Dover Street, London.

J Crew the US preppy fashion brand is scouting out premises for a standalone menswear store in London as part of plans to open five different formats in London.

Abercrombie & Fitch the US fashion giant opened its first outlet store in the Kent McArthurGlen Designer Outlet this week. The 8,000 sq ft store will sit alongside fashion brands including Superdry, Fred Perry and Ted Baker. The retailer currently trades from 7 Burlington Gardens, London and is preparing to open an Abercrombie Kids opposite at Kier Property's, 3 Savile Row, London.

Clintons Cards the greetings card specialist has returned to profit, a year after collapsing into administration amid falling sales.

Tiger of Sweden the "rock'n'roll" Scandinavian fashion brand is opening a 3,200 sq ft flagship store in the heart of St James's, London this summer.



Robert Dyas

The Knight Frank Retail team has completed two lease renewals on behalf of their retained clients, Robert Dyas, in London Road, Bognor Regis and Wolsley Walk, Woking.

Tweet of the Week

Knight Frank Retail @KFRetail

09 May

Hello and welcome to our 1,000th follower: @F_R_Group We'll mark the occasion with a visit to the Running Horse, Davies Street this evening!



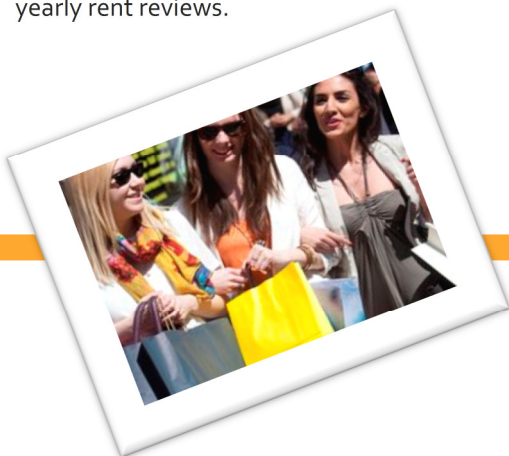
Retailer Optimism

Mulberry

The luxury British brand is set to ramp up expansion plans over the current fiscal year despite profit warnings. Mulberry is eyeing new locations across northern Europe, Asia, the US and Canada. Their first stand-alone store located in Berlin's Kurfürstendamm is the first of a handful planned for Germany. It is said they are looking for retail space in Dusseldorf, Frankfurt and Munich.

MAC

The make-up brand is to open a store in London's Covent Garden. The brand has leased a 2,500 sq ft unit from Lothbury Trust at 25-31 St James Street at a Zone A rent of £730 per sq ft on a 15 year lease with three yearly rent reviews.



According to new data shop vacancy rates rose slightly for the first time in five months in March, increasing by 0.02%. UK town centre vacancy rates remained below 14.5% for the sixth consecutive month, though climbing to 14.14% over the month compared with 14.12% in February. Findings have found that there are over 22,456 vacant shops in the top 650 UK town centres.

RETAIL OUTLOOK FOR THIS WEEK:



Crussh

A leading healthy, fast food operator in London since 1998. They are currently trading from 25 locations but have an immediate requirement to open stores this year as well as to build a pipeline for 2014/15. Their requirement is for kiosks up to 2,000 sq ft with an A1 use in high footfall areas close to offices, retail and students. The main London target locations are the City, Midtown and the West End.

Joules

The British retailer has been signed by the PACE Trustee for an enlarged store in Bath. The 3,227 sq ft premises at 12 Northgate Street were acquired at a rent of £165,000 pa on a new 10 year lease as part of a relocation from the 596 sq ft store on Argyle Street, Bath.

Did You Know?

Streatham became the site of the UK's first supermarket, when Express Dairies Premier Supermarkets opened its first 2,500 sq ft store in 1951.

Market Sentiment

Furthermore a combination of poor weather, supermarket price wars and the continuing economic gloom has led to price tags in high street stores rising at their slowest rate in three and a half years, according to British Retail Consortium. Last month food prices dropped 1.1% compared with March to levels last seen in November 2009.

However the British luxury brands are optimistic about 2013, with new research

predicting the sector will grow by 12% to £74bn in 2013. London also had positive news with footfall growing 19.2% over the May bank holiday as UK shoppers favoured heading to the capital over holidaying abroad, according to new figures released this week. Over Saturday, Sunday and Monday, shopping in the area surged, resulting in more than £220m being spent over the three-day break, a £20m rise on the same period last year as Britons favoured 'stay-cations.'

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