

# streetwire

Welcome to **streetwire**, breaking opinions on the state of the high street property market brought to you by Mace Retail.

Each month we will look at a different issue affecting retailers and share with you the views of a panel of industry experts and commentators on how to tackle it. The first issue we have put to a cross-section of our expert panellists concerns the "what happens next?" when the industry faces a major downturn.

Please do let us know what you think of **streetwire** and if there is a topic that you'd like us to address in a future issue then we'd love to hear from you. Enjoy the read.

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**“WHAT DO YOU THINK SMART RETAILERS SHOULD BE DOING IN THE CURRENT ECONOMIC CLIMATE?”**



**Chris Daniel**  
Retail programme manager at Abbey



Before the recent turmoil in the credit markets, e-commerce channels had been growing over time and many had predicted the demise of the branch as a consequence. However, Abbey and Santander have always followed a policy of 'bricks and clicks'; meaning any e-commerce channel was always going to be backed up with a branch presence in the high street.

After the problems with the Icelandic banks and, in particular, the issues with access via their e-commerce channel, we believe our faith in branches and the value we place on them has been justified, even before the current issues.

Branches will always play an important part of our channel strategy. Maintaining the look and feel of our branches in line with the Santander corporate branding and the expansion of our network continues to be one of our priorities.



[www.abbey.com](http://www.abbey.com)



**Ben Cooper**  
Property reporter for Retail Week



In these uncertain times, retailers need to do all they can to make their properties work for them.

Tightening up lease terms is a good place to start. Too often retailers' perceptions are that rent is the most crucial part of the negotiation, at the expense of 'lesser' aspects such as service charge and insurance. In fact, if retailers consider the service charge as a de facto part of the rent and take a firm line before they sign, there are potentially huge savings to be made. Retailers should demand an open dialogue with landlords from the word go.

Voids for landlords are just as much a doomsday scenario as administrations are for retailers. For both sides the key is to get shops let. Retailers are rightly asking for more at the moment because there are good deals to be had, and landlords need to take a pragmatic approach if they are to fill their growing voids.



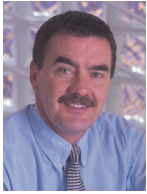
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Abbey branch



**Matt Turner**  
Retail Director



With the likely downturn on the high street it could be a good time for retailers to consider outsourcing their property functions to specialists.

With consolidation, merger and acquisition activity beginning to emerge, outsourcing part of a brand's property-related requirements can make a lot of sense. Outsourcing gives retailers quick and cost effective access to best in class resource without the delay of recruitment. Peaks in dealing with sudden re-brand requirements can be managed effectively, with optimum speed to market and resultant incremental sales. As well as potentially delivering significant cost, efficiency, headcount and space savings, outsourcing can also provide retailers with performance and flexibility improvements, embracing the lessons learnt from the supplier.

From the acquisition strategy, application development and design, right through to setting up the supply chain, construction project management and ongoing facilities management of the completed building, the whole property remit can be outsourced. This leaves clients free to concentrate on their core business of retailing, rather than being distracted by non-core property-related demands.



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Sainsbury's roll-out



**Richard Brindley**  
Head of Professional Services Board at RIBA



My advice to retailers, at this economically turbulent time, is to concentrate on making your property portfolios work as hard as possible for you.

Where appropriate re-negotiate terms with landlords on your existing properties. On sites that are yet to be developed, spend additional time and resource at the design stage to ensure operational efficiency.



For all your properties (old and new), focus on making your portfolio as operationally sustainable, energy-efficient and security-focused as possible. Getting these 'big ticket' items right can generate significant savings on a building's running costs over its lifetime.



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