RETAIL IN DETAIL

Knight Frank

20TH SEPTEMBER 2013 WEEKLY RETAIL NEWS HIGHLIGHTS FROM AROUND THE MARKET

KNIGHT FRANK RETAIL NEWS

General Retail News

North Face the US outdoor retailer, plans to expand in France after opening its flagship store in Paris this week. Since 2000, the brand has been owned by American group VF Corporation, owner of several brands including Vans, Timberland, Lee and Wrangler. North Face is present in 65 countries.

YO! Sushi the sushi chain, is to open a new restaurant at Heathrow Terminal 2 in June 2014, offering pod seating and an innovative service that will mean airline passengers will be able to pre-order their food online before they arrive.

River Island the fashion retailer, intends to open 20 stores over the course of this year. It opened a new flagship in Oxford Street, in the West End of London, at the new Park House development, in June.

The East India Company the gourmet food and premium tea shop, is opening at Bluewater Shopping Centre, Kent this October. The store is the company's first to open in the UK since the launch of its flagship in London's Mayfair in August 2010.

Wickes. LondonMetric has exchanged contracts to buy a portfolio of five Wickes for £28m – a net initial yield of 7.2%. It has an average unexpired lease term of just over 10 years. The stores are located in Oxford (28,200 sq ft), Chatham (24,900 sq ft), Maldon (27,000 sq ft), Oldham (25,000 sq ft) and Barnsley (25,900 sq ft).

Fendi the luxury Italian designer's flagship store at 141-142 New Bond Street has been put up for sale for around £80m – reflecting a net initial yield of 2.5%.

Croydon Village Outlet officially opened yesterday. The 530,000 sq ft outlet located in the former Allders department store in Croydon town centre. The store forms part of the proposed Whitgift Centre shopping mall development site. The backers of the outlet centre said it will be housing the biggest names in designer fashion and homeware – from Armani to Westwood.

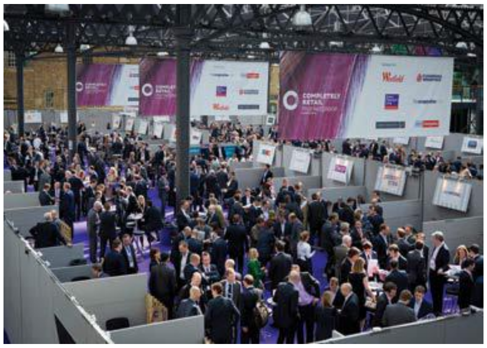
Industrie the Australian fashion brand, have taken their first store outside Australia in Seven Dials, London. The 1,234 sq ft store, situated on Earlham Street, will open at the end of September.

Land Securities the property developer, has paid £104m for a 35.6% stake in the X-Leisure Unit Trust, the UK's largest leisure fund, with assets valued at £590m.

FCUK the French fashion retailer, has set a target of shutting 15 stores in a year. So far it has closed four of the 15 in the half-year to the end of July. Three more shops will close in the second half of the year.

Millets the outdoor clothing retailer, will not be removed from the high streets according to owner JD Sports. The group had planned to merge the format with Blacks but it admitted the decision would not work because of differences in customers.

COMPLETELY RETAIL & Leisure marketplace



Knight Frank will be at Completely Retail 2013!

On Tuesday 24th September the Knight Frank Retail and Leisure team will be at the annual retail forum held at Old Spitalfields Market.

Find us on stand 21 to discuss our requirements and a range of properties we are marketing across Central London and nationally.

Tweet of the Week

Knight Frank Retail @KFRetail

13th Sept

@BandQ revealed 651 outlets and believes it has the potential to take the same trade in 20% fewer stores.

egi.co.uk/news/772277.nw

Retailer Optimism

Vivienne Westwood

The English fashion designer, announced a bumper £5m profit as the Vivienne Westwood brand focuses on opening shops and expanding overseas.

Dame Vivienne's fashion company reported a pre-tax profit of £5.04m for 2012, with turnover up 18% to £30.1m. The strong result compares with just £528,000 profit last year.

Debenhams

Has announced it plans to open another four UK stores in the next 12 months.

Debenhams, which has 156 UK outlets, did not shut any during the past financial year. The business is transforming its Oxford Street flagship in London's West End with a £40m redesign that will create 20,000 sq ft of extra space.

RETAIL OUTLOOK FOR THIS WEEK:

John Lewis

The department store saw its sales jump 14.1% last week as the cooler weather sent shoppers scurrying for warm clothes and bedding.

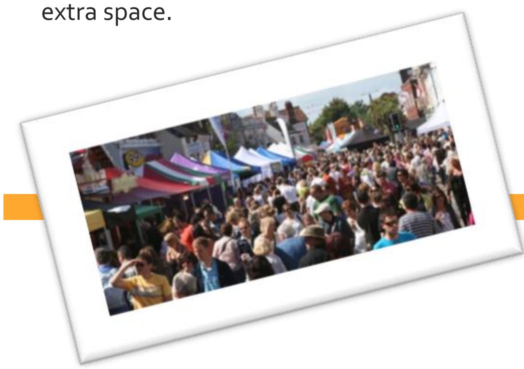
The employee-owned retailer said total takings for the week to 14 September grew to £74.8 million as sales of cashmere products surged 60% compared with a year ago, while warmer duvets were up 70% on the previous week.

Prada

The Italian fashion house is seeing green shoots in Europe and feels confident about China, its biggest market, even though sales slowed in the first half of the year. The Hong Kong-listed group said appetite for its colorful 1,500-euro leather handbags in China, particularly in second-tier cities where it was opening shops, was showing no sign of abating.

Did You Know?

John Lewis originally opened a drapery shop in 1864 at 132 Oxford Street, in London; before going on to found the department store that bears his name.



Market Sentiment

In a briefing paper put together by the British Retail Consortium (BRC) to press the case for a reform of business rates, it said the tax on property is "no longer fit for purpose" and has become split from the health of the economy and individual businesses.

Leading retailers have called for business rates to be overhauled to help protect the high street. Business rates are costing the retail industry more than £7bn a year and increased by £175m in April. These retailers have warned the Government is damaging the high street by charging businesses the highest commercial property tax in Europe, a levy that is "inconsistent" with its pledge to create the most competitive tax system in the G20.

Business rates are paid on commercial property and based on the rateable value of the site as well as inflation. They are the only national tax where the revenue generated each year is fixed in real terms. The BRC said that business rates in the UK cost 4.1% of GDP, the highest level in the EU.

It warned retailers are paying 11.5% of business taxation despite accounting for only 5.2% of GDP. The BRC is pressing for a 2% cap on business rate increases every year, rather than basing increases on inflation.

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