GENERAL RETAIL NEWS

**John Lewis** the upscale department store, has opened its first 3,000 sq ft ‘click and commute’ store in St. Pancras, London. The store aims to capitalise on the 48 million commuters who pass through the station annually and will provide next-day collection.

**Amazon** the online retail giant, is to launch a same-day pick-up service in 500 convenience stores owned by partners Smiths News across the UK.

**WH Smith** the stationary and book retailer, is launching a chain of low-cost greeting card stores named Cardmarket following an 8% rise in annual pre-tax profits.

**Zara** the Spanish fashion retailer, has reopened its newly extended store on Liverpool One’s South John Street which is a 3rd larger than its old 27,221 sq ft store on the same site.

**Waitrose** the supermarket chain, has opened a Little Waitrose opposite Manchester Piccadilly Railway Station. This is the ninth branch in the North West and will service commuters travelling through the station.

**Westfield** the Australian shopping centre developer, is reconsidering plans for a Bradford centre after plans were stalled in 2008. The $260 million development at Bradford Broadway is set to complete in 2015.

**Heddon Street Kitchen** the all day dining concept by Gordon Ramsay Group, is to open a 89,900 sq ft venue. The 232-cover restaurant over two floors in is due to open on the 10th November.

**Goat** the luxury cashmere brand, has opened its first store at 4 conduit street in London’s Mayfair. The 660 sq ft shop is situated adjacent to Oliver Sweeney.

**Land Securities** the property company, has exchanged contracts to sell it’s 50% stake in the Princess Hay shopping centre in Exeter at 1-11 Sidwell Street for £127.9 million.

**Forever 21** the fashion chain, is seeking more stores in Europe and considering downsizing two of its UK stores. The company have signed for 16,600 sq ft in Dortmund, Germany and are in talks about opening stores in Rotterdam and Madrid.

**Bentalls** the shopping centre in Kingston-upon-Thames, has been put up for sale for £200 million.

**Pure Taste** the UK’s first gluten-free and paleo restaurant, will open at 115 Westbourne Grove, West London in late November.

**Orelia** the costume jewellery brand, is preparing to open the largest branded jewellery concession in Topshop the 385 sq ft concession will open on Oxford Street on 27th October.

**Haché** the gourmet burger restaurant, has signed a new lease on a 1,200 sq ft restaurant on Bedford Hill, Balham. The venue was agreed at a rent of £55,000.

**DFS** the sofa retailer, is to expand into Europe with the opening of a store in the Netherlands this year off the back of an 8.1% increase in EBITDA.

**Cabbages and Condoms** the restaurant-chain-come-sexual-health-advice-service, is set to open a 150-cover restaurant over two floors on James Street, Cheltenham.

**HC LuxSpa** the luxury beauty brand, has opened its first retail space in Selfridges in Birmingham.

**Bathstore, 23 Gloucester Road, Brighton**

Acting on behalf of the landlord, Knight Frank Lease Advisory team has successfully concluded the rent review of the Bathstore at 23 Gloucester Road, Brighton. The property is one of only a handful of large units located in the North Laine area of Brighton and despite both a lack of directly comparable evidence and an unusually restrictive user assumptions, a modest 6% uplift was secured.

**TWEET OF THE WEEK**

Knight Frank Retail @KFRetail

15th October 2014

London’s top shopping district #BondStreet to receive a £20m makeover @newwestend @TfLOfficial @CityWestminster http://bit.ly/1sRM8Yi
RETAILER OPTIMISM

**H&M** the Swedish fashion retailer, has reported an 8% increase in September sales globally, waylaying fears that the Indian summer experienced in the UK would hit Autumn sales severely. The company did not release UK specific sales figures. In August H&M saw an increase in sales year on year of 19% and has opened a total of 382 new stores in the past year, bringing their total global presence to 3,388 stores.

**WH Smith** the book and stationary retailer, has reported a 9% increase in pre-tax profits in the year to 31st August. The rise from £103m to £112m experienced over the last year contrasted a group total sales decrease of 2% and like for like sales drop of 3%. The company opened 30 new units this year, taking their total number of stores nationwide to 596.

**RETAIL OUTLOOK FOR THIS WEEK**

**Asda** the supermarket chain, has reported an increase in operating profits of 18.2% to £993.9m last year, regardless of the tougher market conditions experienced in the supermarket sector. These reports contrast huge losses reported by Morrisons and Tesco. Asda is the only one of the ‘big four’ to have delivered an increase in market share over the last 12 months.

**Game Digital** the specialist video game retailer, saw its adjusted EBITDA climb by 117.4% to £51.3 million in the year to July. Group revenues surged by 31% to £861.8 million while operating profit increased from a loss of £3.3 million to a profit of £24.8 million.

**John Lewis** the upscale department store has reported a 12.5% increase in sales in the week to October 11th as shoppers sought autumn clothes as cold weather began to set in. Kidswear and babywear sales were up 21% with sunglasses and umbrellas also selling well.

**MARKET SENTIMENT**

Business rates are reportedly set to increase by 2.3% next year as the latest RPI inflation rate are unveiled by the Office for National Statistics which dropped as a result of drops in food, fuel energy and transport prices. This news comes as against a backdrop of an open letter signed by a number of major retailers, which stated that business rates were a critical problem to for many UK retailers and that the system is ‘no longer fit for purpose for the 21st Century’ a few weeks ago.

Latest reports suggest that British customers are around twice as likely to shop online than French and German consumers. In a survey conducted by Hermes the delivery specialist, 2000 Brits, 1000 French and 1000 Germans were asked if they had shopped online three or more times in the past 3 months. 27% of the British respondents had shopped online in that time, compared to 14% of the French respondents and only 10% of the Germans, with clothing being the leading product type in the UK market.

The survey also discovered that 42% of British consumers are intending on increasing their online shopping usage compared with 30% in France and 28% in Germany.

Although September sales have this year experienced their slowest growth since 2010, annual online retail sales grew by 7% in September with multi-channel retailers performing better than exclusively online retailers.

**KEY CONTACTS**

**AGENCY**

Richard Griston
Associate Partner
T +44 20 7861 1188
E richard.griston@knightfrank.com

**LEASE ADVISORY**

Jeremy Elphick
Partner
T +44 20 7861 1590
E jeremy.elphick@knightfrank.com

The above information is sourced from Property Week, Estates Gazette, Retail Week, Drapers, The Times and the BBC and does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects and must not be relied on in any way. No legal responsibility can be accepted by Knight Frank LLP for any loss or damage resultant from the contents of this document.