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Head for heights

Climbing joins the mall leisure mix

Editor's letter

The UK shopping centre industry has not emerged from the Hammerson/intu debacle with much credit. The reputation of both companies has been weakened by the process, which culminated in Hammerson's board taking the almost unprecedented step of writing to their own shareholders asking them not to vote in favour of a bid they had previously recommended.

Having batted away Klepierre's offer, which was pitched at a 40 per cent premium to the current share price, Hammerson's board are now going to have to work hard to win back the confidence of their disgruntled shareholders. And what of intu? Having decided to sell up only for the purchaser to walk away can the board now say it's back to business as usual?

Despite repeated assertions that premium malls were somehow immune to the gloom surrounding UK retail, it's clear that the constant drip-feed of CVA's, profit warnings and store closures has damaged shareholder confidence in the valuations that the retail REITs have been clinging to. And that will affect everyone in the sector.

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Showcase to join Brent Cross extension

Hammerson and Aberdeen Standard Investments, joint owners of Brent Cross, have secured National Amusements' luxury cinema brand, Showcase Cinema de Lux, for the new £1.4bn Brent Cross extension in London. This is the cinema's first location in London and it is the first leisure brand to be announced as part of the proposed regenerated and extended Brent Cross.

The 1,800-seat, 80,000-sq ft cinema with 12 auditoriums will bring viewers the sharpest and brightest image quality and multi-dimensional sound.

Showcase Cinema de Lux unveiled the technology at Hammerson's Westquay centre in Southampton during 2017 and has been trading well since.

The regeneration of Brent Cross will double the size of the existing centre to 2m sq ft of retail and leisure space. The plans include up to 150 new retail stores and 50 new restaurants, an hotel and a new town square. Work is due to begin later this year.

Robin Dobson, director, retail development at Hammerson, said: "To secure London's first Showcase Cinema de Lux is a key milestone in our plans to transform Brent Cross and is testament to the long-term strength of the centre. The cinema will anchor the new leisure offer at Brent Cross, promoting a vibrant and exciting evening economy."

Intu adds to Watford line-up

Intu has signed up Jack Wills for a 5,000-sq ft store in its £180m expansion of the intu Watford shopping centre. And the preppy fashion brand will be joined by international frozen yogurt brand Tutti Frutti which has been added to the new scheme's F&B mix.

The development will create a 1.4 million-sq ft retail and leisure destination at the heart of Watford that has been predicted by the CACI to elevate the Hertfordshire town to a top 20 retail destination alongside Edinburgh and Bristol, attracting visitors from across London and neighbouring home counties.

The scheme will be anchored by a 113,000-sq ft Debenhams and a 6,630-sq ft Superdry when work completes in October this year. There will also be a 9-screen IMAX cinema, Hollywood Bowl and 11 new restaurants.

Rebecca Ryman, regional managing director at intu, said: "The expansion of intu Watford is enabling us to create even more premium space for high quality retail, restaurant and leisure brands within a destination where they can really flourish."

Zara to open Westgate, Oxford flagship

The Westgate Oxford Alliance, a joint venture between Landsec and The Crown Estate, has signed Inditex's Zara to open a three-storey, 39,500-sq ft store along the North Arcade of Westgate, Oxford.

Zara will move from its current Oxford location and will almost double in size. The new store is due to open later this year, joining a fashion line-up that includes Uniqlo, & Other Stories, Cos, Ted Baker, Hugo Boss, Gant, Mint Velvet and Reiss.

Landsec senior portfolio director Russell Loveland said: "Zara's decision to relocate to Westgate reflects the centre's position as the prime destination for retailers. We're committed to providing the best experience possible for guests and are confident that Zara will further enhance the experience of visitors to Westgate."

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GREEN LIGHT FOR NEW HEMPSTEAD SPACE

Medway Council has approved an 80,000-sq ft extension providing five large new units and decked car parking at Hempstead Valley shopping centre near Gillingham in Kent. The new stores will be built on part of the existing car park, with a new parking deck to make up for the loss of spaces. The 400,000-sq ft scheme is owned by the British Airways pension scheme and counts Argos, Boots, Sainsbury's M&S and TK Maxx among its anchors.

THREE NEW BRANDS JOIN KINGS CROSS

King's Cross has signed three more brands at Coal Drops Yard, the new 100,000-sq ft shopping quarter due to open in October 2018. Cheaney, Universal Works and Form & Thread will join a line-up that already includes Paul Smith, Tom Dixon, Cubitts, Manifesto and Lost Property of London – as well as restaurants Barrafina and Casa Pastor and wine bar The Drop. Argent project director Craig White said: "Offering quality products at an accessible price-point, they complement perfectly our confirmed partners and those still to come."

H&M SUB-BRAND ARKET GOES BEYOND LONDON

Arket, H&M Group's latest fashion and lifestyle brand, is to open its first store outside central London on Bluewater's Guildhall in May. The 11,000-sq ft store will create a Nordic-inspired fashion destination. Since the launch of its maiden store on Regent Street in 2017, Arket has been heralded for shaking up the UK high-street with its mission to democratise quality, providing well-made items designed to be used and loved for a long time. CBRE and Time Retail Partners represented Bluewater.

Brands upgrade at Meadowhall

Five major retail brands have taken inspiration from British Land's £60m transformation of Meadowhall to significantly improve their own stores. River Island, Ted Baker, Footasylum, Primark and Molton Brown have invested a combined £6m in their stores at Meadowhall.

Upsizing to 24,000 sq ft, River Island has launched a new format at Meadowhall that will be rolled out across all new stores. The brand's Meadowhall flagship features an extended mezzanine level, triple-bay entrance and enhanced LED lighting to create a clean and bright interior, as well as a striking double height fascia.

Ted Baker has designed a bespoke record shop-themed store to celebrate Sheffield's music heritage, playing homage to Sheffield stars such as Heaven 17, The Human League, Joe Cocker and Def Leppard

Primark features a 21,000-sq ft ground floor extension with extensive works to the existing store front, new and improved signage, and relocated cash desk area in response to shopper footfall habits. Primark's new store totals 95,500 sq ft.

Richard Crowther, asset manager for British Land, said: "Stores remain an integral part of omni-channel retail. Our transformation in Meadowhall, and the investment by retailers, has provided high-quality retail space aligned to the way people want to shop."

Tiger founder to launch ÏD Kids in UK

Philip Bier, founder of Scandinavian high street brand Tiger is set to launch a new childrenswear and toys retailer ÏD Kids in the UK.

Bier, who co-founded Tiger and opened its first store in Basingstoke in 2005, sold his stake in the retailer to Copenhagen-based parent company Zebra in January last year. He is set to bring the first franchise of French company ÏD Kids to Southside Shopping Centre in Wandsworth through new company Bier Brothers.

Bier said: "We want to be the preferred partner for foreign retailers who want to enter the UK. The ambition is to have six brands in five years' time."

The news comes at a turbulent time for UK retailers, with sector rival Toys R Us recently entering administration

Bier added: "If people say I'm mad I have some sympathy for that statement. But if you take Toys R Us they stood still and relied on doing the same thing for 25 years with no material change in their model. They just expected customers to turn up with a basket and fill it. That doesn't happen anymore."

Oxford Street lights shortlist unveiled

A global competition, launched to create the new design for the Christmas Illuminations across Oxford Street, has reached its second stage with a shortlist of four ambitious concepts from across the world.

This is the first time a global competition has ever been undertaken to find a designer to take on this illustrious project, the first new installation on the world-famous shopping destination, which is visited by over 30 million people during the festive season, in five years. Over 40 entries were submitted, with participants from the UK, Europe, Australia, the USA, and the Middle East

The shortlisted entries are:

- Gia Equation with Peter Fink Studio, Harry Dobbs Design & Eckersley O'Callaghan, London
- Castros S.A, Portugal
- 3DReid, London
- Herr Meier Licht, Germany & MK Illumination, Austria.

Jace Tyrrell, chief executive of New West End Company, said: "Selecting the shortlist was incredibly difficult, but looking at the four potential winning designs, it's certain the lights this year will be spectacular, giving all our visitors the opportunity to experience a special festive moment here on Oxford Street."

Glasgow Fort adds four new brands

The investment in design at Glasgow Fort by British Land and Hercules Unit Trust continues to attract new retailers, and boost retail spend.

Four new brands have signed 10-year leases at the centre. Footwear retailer Skechers will open one of its largest stores in the UK, taking 5,040 sq ft and three more brands are making their out-of-town debuts at the park with Ann Summers taking 2,248 sq ft; Argento 390 sq ft and Lush 1,843 sq ft.

Over £50m has been invested in the centre over the last five years by British Land and HUT. The investment has introduced green public spaces, high-quality public realm, children's pocket parks and the use of sustainably sourced timber at the centre.

A recent CACI survey conducted over the peak Christmas shopping period last December showed that retail spend per shopper had increased by 26 per cent year on year.

British Land and HUT are represented by Paradigm and Cushman & Wakefield.

Bracknell 92 per cent let

Swarovski, JD Sports and House have become the latest brands to join the line up at the Lexicon Bracknell. Swarvovski has taken a 750 sq ft store with 6,500 sq ft going to JD Sports and 3,000 sq ft to House. These new signings mean The Lexicon is now 92.4 per cent let or in solicitors' hands, by floorspace, with a further 12,000 sq ft in negotiations.

Richard Poyser, head of retail relationships & leasing for Legal & General, said: "The overriding vision for the regeneration of Bracknell was to create a welcoming and engaging contemporary and timeless town centre with the residents and customers at the heart. Through great brand names and more than 100 fashion, beauty, homeware and technology stores, we are ensuring there's something for everyone."

The Lexicon Bracknell was developed by the Bracknell Regeneration Partnership, a 50:50 joint venture between Legal & General Capital and Schroder UK Real Estate Fund, together with Bracknell Forest Council. Joint agents for The Lexicon are CBRE and Lunson Mitchenall.

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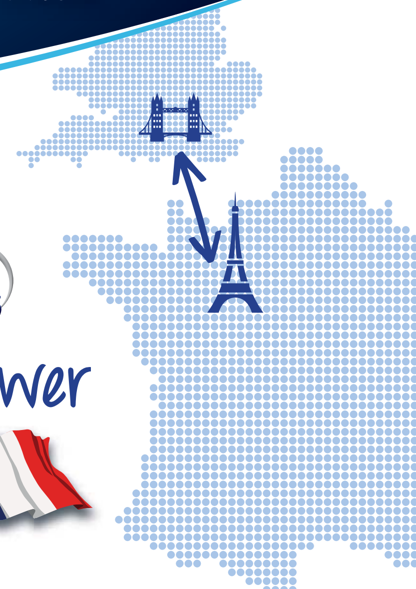

This year UK Parking Control have partnered up with an amazing small local charity based in Great Missenden, Buckinghamshire called the Thomas Ball Children's Cancer Fund. Our goal is to raise £10,000 from this event, with 100% of the proceeds going to the charity.

In July 2018 our Managing Director, Rupert Williams, his son Leo, along with two other Directors from UKPC, Simon Snelgrove and Stuart Harrison will cycle and paddle from the Tower of London to the Eiffel Tower, Paris.

In three days our team will cycle from the Tower of London, down the Southern coast, then paddle across the English Channel finishing with another cycle to the Eiffel Tower. That's approximately a 23 mile paddle and a 240 mile cycle.

The charity aims to relieve sickness and distress for children and their families who are suffering with cancer. The money raised from this event will be used for research, crucial medical equipment, as well as holidays and gifts to the families suffering and living with cancer.

To find out more about the Thomas Ball charity and their story, visit www.thomasball.org.uk

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HAMMERSON PULLS OUT OF INTU DEAL

Hammerson's ambitions to create a FTSE-100 retail property giant by swallowing up intu have been left in tatters

Hammerson has thrown in the towel and abandoned its planned takeover of Intu Properties after a shareholder revolt made it unlikely the plan would win approval when put to the vote. So what went wrong?

With hindsight, warning signs were already apparent when Hammerson's chairman David Tyler and chief executive David Atkins announced the bid, which was recommended by the intu board led by its biggest shareholder, Trafford Centre developer John Whittaker. Hammerson's share price fell on the news, which was hardly a ringing endorsement from the market.

Analysts felt that the deal would dilute the overall quality of the combined portfolio. While intu holds trophy assets like the Trafford Centre and Lakeside, it also owns some less attractive malls at a time when retailers and shoppers are deserting all but the top-tier 'supermalls.' And at a time when the UK economy is underperforming all other developed markets, the deal would have increased Hammerson's exposure to the UK market.

It fell to Hammerson's second-biggest shareholder, Dutch pension fund APG Asset Management which holds a 7.1 per cent stake in the company, to crystallise the discontent among investors, writing a letter to the company's management and then making it public.

It said the terms of the offer for intu were 'insufficiently attractive' and did not reflect the state of the UK retail market, the increase in Hammerson borrowing that it entailed or the risks attached. "We believe that the proposed acquisition will significantly dilute Hammerson's high-quality portfolio," APG added.

A further complicating factor was the arrival of two unsolicited offers for Hammerson by the French shopping centre investor Klepierre. Klepierre (20 per cent owned by US shopping mall mogul David Simon who had himself bid for intu when it was still called Capital Shopping Centres) made it clear that had no interest in the intu assets and was bidding on the basis that the planned merger would be aborted.

Even though Hammerson batted back Klepierre's approaches, saying that they "very significantly undervalued Hammerson, its track record of delivery, the quality of its portfolio, its market positions, and the opportunities it has for future value creation," the affair only served to make shareholders more nervous.

As the shareholder vote loomed Hammerson's management realised the maths were going against them and issued a humiliating statement reversing their recommendation of the offer. "Despite the resilience of Hammerson's portfolio and strong operating metrics in Q1 2018, the equity market's perception of the broader UK retail property market has deteriorated since the start of the year," it said. "This has led to a disconnect between the company's share price and the fundamental value of its business and prospects. This perception has been intensified by market concerns over the extended period of time that it would take to complete the transaction and realise longer-term returns from the Intu acquisition."

It also acknowledged that the retail climate had deteriorated since the bid was announced, with a flood of CVAs and store closures. "Over the last five months, the financial strength of retailers and other tenants in the UK has softened and a number of retailers have entered into administrations or CVAs, while consumer confidence has also remained subdued."

And it concluded: "The board has therefore now concluded that the proposed Intu acquisition is no longer in the best interests of Hammerson shareholders."

It is not just Hammerson's management that has been humiliated – The Financial Times ran a prominent opinion piece calling for the two Davids Tyler and Atkins to resign – but intu's credibility has been dealt a blow as well. In a testy statement the intu board said it regarded Hammerson's explanation as "unsatisfactory."

So what does the future hold? Hammerson will be under pressure to validate the 790p per share asset valuation it has published, probably by selling a mall at or close to valuation. And intu will either have to find another suitor or come up with a credible plan to take the company forward. But, with sentiment clearly running against the shopping centre sector, that could be challenging.

STORE OPENINGS SLUMP

New store openings are at their lowest level since 2010 according to new data from the Local Data Company for PwC

The number of new high street stores opening in 2017 fell to 4,083, from 4,534 in 2016, according to research compiled by the Local Data Company for PwC. The data shows that the second half of 2017 saw substantially more closures and fewer openings than the first six months of the year, reflecting a tough trading environment including a slowdown in consumer spending, rising staff and business rates costs, as well as a slowdown in food and beverage growth as consumer confidence reached a four year low in December 2017.

Beauty product stores, coffee shops, cafés and tea-rooms, and ice cream parlours showed the highest increase in net store numbers in 2017. Booksellers and tobacconists also had a good year, with physical book shops and vaping remaining popular with consumers.

Weighed against the openings, 5,855 outlets closed on Great Britain's high streets in 2017, at a rate of 16 stores a day, a slight increase on the 15 stores a day closing in 2016, when 5,430 outlets closed. It is the second consecutive year the number of closures have risen. The findings equate to an overall net loss of 1,772 stores disappearing from Great Britain's town centres in 2017.

The analysis of the top 500 town centres in Great Britain included 67,157 outlets run by retailers with more than five outlets across the country. It found that overall volumes of activity (openings + closures) have plummeted from a record 13,109 in 2012 to 9,938 in 2017 (-24%), although 2017 activity was up slightly compared to 2016 when 9,964 outlets opened or closed.

F&B and leisure chains have continued to see growth on the high street, with a net increase of 12 units (+0.07%) in 2017. This was, however, a sizeable slowdown on previous years (2016 saw +126 units and 2015 saw a net change of +271 units), reflecting the challenges these chains face from saturation in the market.

Geographically, London saw the greatest number of net closures (-336), with this region being hardest hit by the business rates reassessment and a degree of saturation in the London casual dining market.

Lisa Hooker, consumer markets leader at PwC, said: "2017 was tough for the British retail industry, particularly the second half of the year. On top of this, many retailers are increasingly feeling the impact of the acceleration of online shopping." And she continued: "We've seen a tough start to 2018, but it's important to remember the British high street still plays a vital role in society and there are elements of growth amongst the headline numbers of decline. For example, almost 400 new clothes shops opened last year, even though over 700 closed."

Lucy Stainton, The Local Data Company's senior relationship manager, said: "There is of course no doubting that we are experiencing a period of great change in retail, and the question around the relevance and role of stores is still very much on the industry agenda. LDC's latest figures show that there continues to be a vast amount of churn across the physical landscape and, while the gap between openings and closures has widened slightly in 2017, we are seeing certain sub-sectors really gain traction.

"It is this 're-occupancy' and evolution of the use of space which is most striking, as banks become coffee shops, pubs change to nurseries and nail salons open in the space vacated by fashion shops. In 2017, the sub-sectors with the highest growth rates largely have 'experience' in common, as consumers are still very social and want to engage with their high streets and physical space in a way which perhaps replaces traditional shopping activities."


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MAPPING RETAIL RESILIENCE

New research from Cushman & Wakefield has identified the UK's most – and least – resilient retail locations

Cambridge and Guildford top the list of the UK's most resilient retail locations, according to new research from Cushman & Wakefield, which ranks the viability and performance of 250 high streets outside Central London.

The latest Cushman & Wakefield research report, entitled UK High Streets: Dead or Alive?, ranks towns according to retailer demand, leisure spend, floorspace density and rental change as well as broader economic indicators such as house prices, catchment demographics, business survival rates and tourism spend.

On an individual town basis, Cambridge, Guildford, Bath, Chichester and Oxford are the high streets that have shown the greatest resilience over the last decade. Conversely, Hamilton, Llandudno, Newport, Greenock, Ramsgate and Kilmarnock prop up the list of 250 sites.

The report highlights a number of towns as having performed better than expected. Cirencester in Gloucestershire, for example, ranks higher than locations of equal size due to its robust performance on variables relating to the business environment as well as the quality of life index.

Elsewhere, despite being 71st on the list, the small town of Marlow in Buckinghamshire ranks in first place for both rental growth and retailer demand, benefitting from a wealthy, albeit small, catchment. Further down the ranking, a lack of investment and pressure from competing centres has hindered Gloucester's performance over the last decade.

Overall, half of destinations in the top two tiers are located within the South East and Greater London. But only 19 of the 250 high street locations in the analysis recorded rental uplift over the 10-year period. In the worst-performing towns, rents have fallen by as much as 45 per cent.

Justin Taylor, Cushman & Wakefield's head of EMEA retail, said: "Leisure operators have gone some way to filling the voids left by traditional retailers, particularly in prime locations. As well as playing a major role in extending dwell time, they also support the night time economy.

"The growing importance of leisure is also indicative of the larger structural change in the retail landscape, highlighting the need to provide shoppers and other users with alternative, non-retail attractions that will encourage consumers to engage with the high street. There are, however, limits to the extent that leisure alone can revive a location. Regeneration has a major role to play and there are numerous schemes underway around the country, from Altrincham to Edinburgh and Bracknell to Coventry, many of which have a sizeable non-retail component."

TOP 10

1	Cambridge
2	Guildford
3	Bath
4	Chichester
5	Oxford
6	Kingston-upon-Thames
7	Exeter
8	Brighton
9	Bristol
10	Winchester

BOTTOM 10

241	Falkirk
242	Dumfries
243	Gravesend
244	Rotherham
245	Hamilton
246	Llandudno
247	Newport
248	Greenock
249	Ramsgate
250	Kilmarnock

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REACHING NEW HEIGHTS

Climbing walls are on the rise in UK malls

With the nation's interest in health and wellbeing ever on the rise, it has been a no brainer for shopping centres to open their doors to active entertainment in any way they can, but limited space to accommodate these activities has proven a barrier. Nonetheless, many malls around the country have embraced the likes of gym groups and trampoline parks to attract consumers and drive footfall and next in line to take a slice of the pie is the indoor climbing wall.

Rock Up, the indoor climbing experience, is set to open three new sites at shopping centres this year, including intu Watford and Rushden Lakes shopping centre in Northampton. The brand is looking to keep the ball rolling on the back of significant annual growth after securing contracts with intu, the Crown Estate and British Land, and projected annual sales of £2.5m.

Heidi Duckworth, executive chairman of Rock Up, explains why it a pivotal year for the business: "We are doubling the number of current sites and plan for further expansion at more locations making us a truly national company. We find we are providing shopping centres and similar outlets with a highly attractive and unique position that utilises less space than other leisure activities, is quick to install, and more importantly enhances the overall customer offering."

Experience always seems to dominate the conversation when it comes to determining the next big thing for shopping centres. "The leisure activity market has been growing steadily year on year, with the UK projected to spend £129bn in 2018," Duckworth says. "Although the trend may not have started in the UK, fun climbing has really captured the interest of people of all ages from 4 to 84 with the core being families with children.

The Association of British Climbing Walls reported that more than one million people in the UK tried climbing last year and an annual growth of interest at between 15-20 per cent. And with the introduction of speed climbing to the Tokyo 2020 Olympics, this number is only likely to increase.

Duckworth says that going to Rock Up offers something for the entire family in a friendly and welcoming environment. She says: "Little ones can have fun in soft play while children from 4 years can climb. Parents can participate in the activities or sit back and relax in a great environment enjoying homemade cake and coffee from the café. It's a great place for parties and events too."

Rock Up aims to cater to many parts of the local community it serves, including: schools, scouts, guides, cadets, sports clubs, SEN, and many others. The company maxim is to promote accessible fitness with fun as well as combining confidence building with team work that all ages and abilities can enjoy.

"Critically," says Duckworth, "Rock Up is dedicated to providing the best customer experience through its highly skilled and experienced management team who know

how to successfully operate multiple site locations. We are heavily investing in a long-term plan and pipeline as we see a sustainable business model with an exciting future that can evolve and innovate.

"Fads are often driven by quick win operators in it for the short-term gain and not focused on providing the sort of level of quality of offer and service we do. Above all, we have an impeccable safety record compared to some other arena based leisure activities."

Rock Up can convert an empty unit into a fully fitted venue ready to operate in as little as 12 weeks. The climbing arena can be installed in as little as 1,500 sq ft in an atrium set up, while a typical site in a unit will only require a total unit space of 6,500 sq ft, incorporating a 2,000-sq ft climbing arena.

"Only the climbing arena needs to be a minimum of 8.5m high, working with landlords and developers we have found workable solutions," Duckworth tells. "Rock Up has a flexible template which can be made to fit into many different shopping and leisure locations rather than needing large warehouse style units like other arena-based activities. We are also able to install and operate high ropes, crawl nets and much more which can work both internally and externally."

If these figures are not convincing enough towards the popularity of climbing walls, one needs only look over to Europe at climbing wall specialist Walltopia and its long-lasting success. Having been around for over 19 years and undertaking some 1,500 projects in over 50 countries and experiencing 30 per cent annual growth over the last five years, the Bulgaria-based company is a testament to the sport.

"The challenge for shopping malls nowadays is how to stay competitive," says Bancheva Zlatmira, head of sales at Walltopia. "Customers have two limited resources: time and money. If you offer them the opportunity to spend good quality time with their friends and families they will come to you to spend their money there. The new piece to the puzzle is active entertainment.

Zlatmira champions active entertainment experiences, like indoor climbing, which combine physical activity together with the fun, adrenaline and the challenge for people to overcome an obstacle. She says: "It will give you something memorable. People will think 'I had a great time doing this'. If you watch a movie I guarantee that a lot of people will not remember what movie they've seen."

Walltopia offers different possibilities to install attractions and active entertainment equipment. This can either be done in the atriums and the open areas of the shopping centres, in dedicated leisure zones where you can have a bigger mix of attractions, or even taking the spaces that aren't being used like the rooftop or outdoor areas near the shopping centre.

"At our installation in Kiev," she explains, "there are 31 climbing lines which are interactive with sounds and different types of climbing, it has a space theme and artificial caving tunnels which are 16m long, and a 22m slide to top it off. It has fully closed netting tunnels which is especially good for the smaller children and allows you to go from the first level to the last level of the Adventure Hub and see what is going on around you: people climbing, people flying, people having fun."

The site in question is 650 sq m, has a height of 17m, an hourly capacity is 600 people per hour and takes an approximate investment of €2.5m.

Fundamentally, a climbing wall is an attraction that a lot of people looking for a more active experience are going to seek out. Rock Up insight shows that around 80 per cent of its customers travel to their sites from within a 40-minute drive time and some up to an hour away, proving that as well as providing a new and unique offering for a retail outlet, it is creating a big pull for consumers.

"We work very closely with all our landlords and centres to optimise the business from both sides," Duckworth concludes. "Rock Up provides a highly attractive proposition that provides much needed support and footfall for surrounding restaurants and other businesses in shopping centres."

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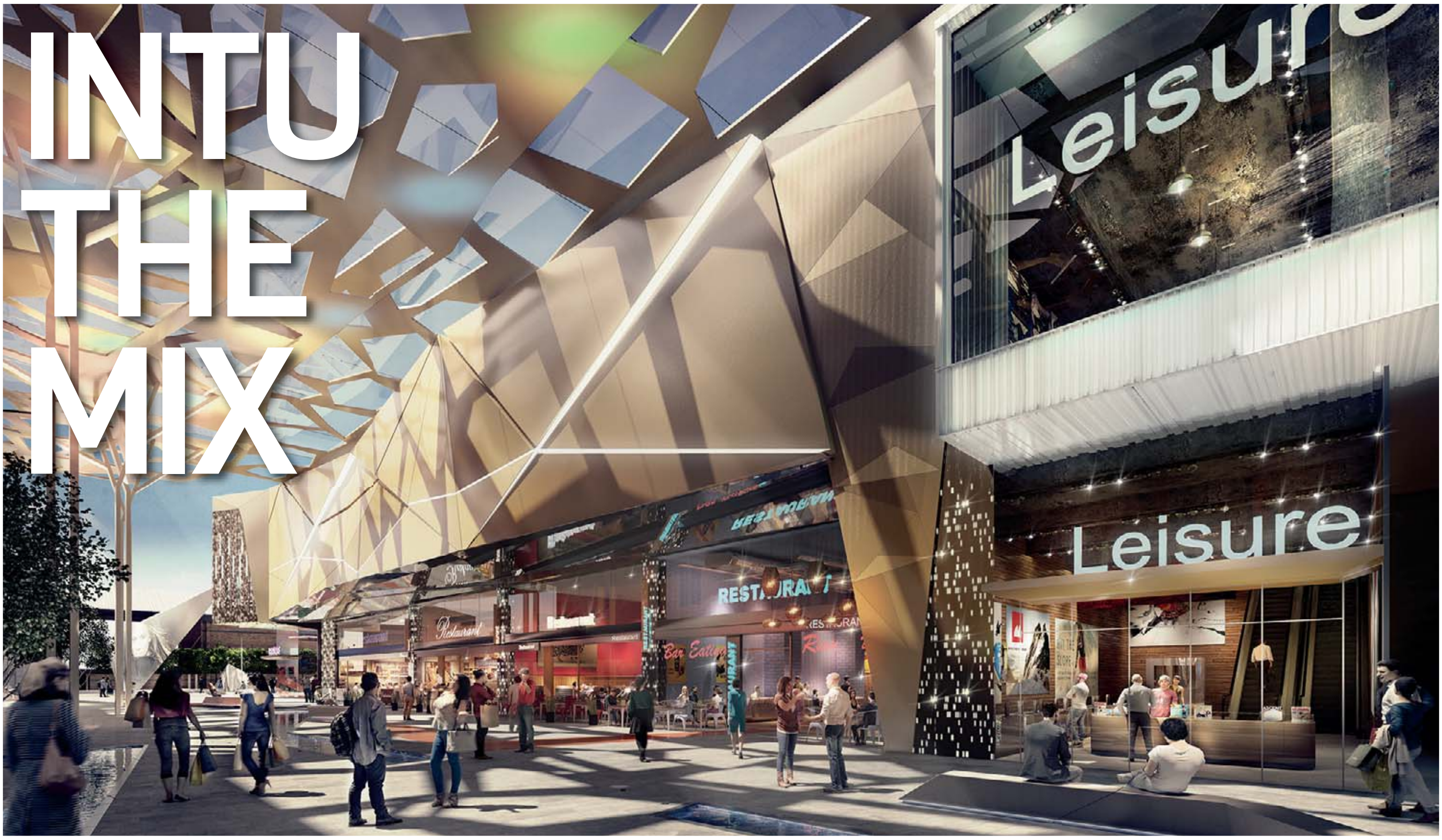


F&B is shaping the tenant mix at developments like intu Watford and intu Lakeside according to intu's regional managing director, **Rebecca Ryman.**

As the owner and operator of many of the most popular retail and leisure destinations, we know how to create terrific spaces to eat and drink in our centres. Wherever we have opened new restaurants we see higher footfall and dwell time. When it opens later this year, the 400,000 sq ft retail and leisure extension at intu Watford will welcome 11 new restaurants that will cement the centre as a day out and evening destination – and we've already let over two thirds of the extension to some great leisure brands including Hollywood Bowl. At intu Lakeside, 11 food and drink outlets including family favourites TGI Fridays and Zizzi are among restaurants to open at the 175,000 sq ft multi-million-pound extension anchored by Nickleodeon.

However, a number of casual dining brands have cut back expansion and even closed sites. As landlords we have to be more proactive in finding fresh new brands.

We want our centres to provide extraordinary compelling experiences for customers that encourage them to come back more often and stay for longer. It's important that we have a great retail and leisure mix that includes both independent and well-established brands that are evolving to meet the needs of customers.

The F&B market is constantly evolving, with new trends and tastes emerging all the time, for us, it's about discovering and curating the very best experience for our customers – one that brings a smile to their faces and keeps them coming back for more. This is what helps our retailers to flourish.

A great example of a new independent brand is Naked Dough, the UK's first cookie dough retailer. They've proved to be very popular with our customers at intu Lakeside, picking up on the latest trends by serving gluten-free, egg-free and vegan dough options.

The 'experience economy' continues to grow, people continue to want to share time and memories together and we must continue to provide what our customers need to fulfil this.

The integration of key leisure operators with both our retail and F&B offering is key to attracting and supporting new and existing brands. All four of our leisure units at intu Lakeside are fully let, bringing fabulous new leisure concepts such as Nickelodeon to UK shopping centres and on-trend offers as trampolining and indoor golf to our shoppers.

And the emergence of competitive socialising venues like theses is absolutely not limited to London. Leisure operators such as Puttshack are seeing the importance of opening in the very best regional centres to cater to the population of students, workers and residents outside of London. Puttshack is a key letting at intu Lakeside's 175,000 sq ft leisure extension and we're very much looking forward to welcoming this great new brand to our centre where it will provide another compelling leisure experience.

Hollywood Bowl has also signed up across our major development extensions including intu Watford. Watford itself has a growing workplace population of 61,000 and is also home to the award-winning Warner Bros Studio which is one of the most visited UK tourist attractions, so ideally located to support these leisure destinations. The extension to the existing intu Watford shopping centre will create a 1.4 million sq ft retail and leisure destination, and is set to place the town alongside Edinburgh and Bristol in CACI's top 20 national retail destinations ranking.

WHERE DOES THE MONEY GO?

Survey shows just where managers are putting their marketing budgets

During the Shopping Centre Management Conference earlier this year, PMW Communications sought out delegates to ask them where they were spending the marketing budgets for their shopping centres, determining what managers and other personnel thought were the most important areas of focus when it comes to promoting their centres in the ever-changing retail world.

The West Sussex-based marketers gave participants ten tokens, each representing ten per cent of their budget. The delegates were then asked to distribute the tokens among six category boxes: advertising, design, digital, events, publicity, and social, putting more tokens in the boxes that they deemed higher priority when it came to promoting their centre.

Taking the lion's share of tokens from the aggregate data was Events, which took 29.2 per cent of the vote. Peter Sutton, managing director at PMW Communications, says that this was the foregone conclusion as events are fundamental when it comes to creating buzz. He says: "While events have always been a priority for the retail industry now, more than ever, they are crucial footfall drivers for bricks and mortar centres in order to compete with the online shopping world.

"As we say at PMW, 'shopping centres have become the 21st century village green of the community, where people come to shop, socialise and be entertained'. However, budgets have changed dramatically. While the bigger destination schemes may still have large budgets to put on extravagant immersive events, the community-focused centres are having to stretch their resources and turn to creative solutions utilising partnerships and low-cost, yet effective ideas wherever possible, or alternatively reducing their events programmes throughout the year."

WHERE TO SPEND YOUR MARKETING BUDGET

Events	29.2%
Social Media	21.4%
Digital	16.4%
Design	13.4%
Advertising	10.1%
Publicity	9.5%

MERRION'S MARKETING TIPS

We caught up with Helen Green, associate director at the Merrion Centre, Leeds, to find out where marketing budgets are best spent.

DIGITAL COMMUNICATION

"We allocate a considerable amount of our marketing budget to social advertising; it's important we get the targeting right as the centre attracts a diverse audience due to the mix of higher-end and value retailers. We also invest time in creating messaging for these audiences before we even begin considering putting adverts live."

CHARITY LINKS

"We have always been extremely active when it comes to corporate social responsibility (CSR). Our dedicated head of CSR, Charlotte-Daisy Ziff, works closely with our charity partners to help support local charities."

SEASONAL FOCUS

"Our challenge has always been to maximise key seasonal periods, such as Christmas and Easter, using larger portions of the budget, but also to utilise smaller portions of the budget for equally engaging and high-standard events."

SUPPORTING RETAILERS

"We invest in public relations for our tenants, distributing news stories to the media in order to get them coverage in the region's most read newspapers and magazines. Also, we invest in internal communications, for example we have a weekly Merrion Mailer which we share with tenants and includes current news, promotional opportunities for them and what's coming up in the centre."

EVENTS

"We put huge emphasis on our consumers. Our aim is that visitors to the Merrion Centre have fun and leave with their expectations exceeded. Therefore, we focus a lot of our marketing budget on hosting events which we know our audience will love and enjoy."

For the full interview, visit shopping-centre.co.uk

Second place in the survey, with a notable 21.4 per cent, social media was crowned a must-have tool for marketing, encapsulating online platforms such as Facebook, Twitter and Instagram. Hot on its heels was digital, with 16.4 per cent, accounting for website and app development, as well as search engine optimisation (SEO) and pay per click (PPC) campaigns. Sutton says that the growth of online and digital is down to the diversifying number of ways that centre can advertise.

"When it comes to social media and digital requirements, even if we go back just five years they weren't considered a top priority as platforms were still growing and the world of SEO was just a minefield," he says. "Nowadays, it couldn't be more vital for businesses to be engaging with their customers on Facebook, or appearing on the first page of Google. Shopping centres have had to adapt fast."

In fourth fifth and sixth respectively, design took 13.4 per cent, traditional advertising saw 10.1 per cent and publicity the final 9.5 per cent when it came to budget spending. The fall in traditional advertising formats such as print and radio were easy to anticipate given the rise of the digital age, but publicity taking the smallest share may have raised some eyebrows.

The answer, participants shared, was that a little PR could go a long way, as it requires the least financial input for a return on investment, with most centres relying on agency retainers and in-house staff to produce results.

"As consumers' habits changed over the years - turning to blogs, online news and listings guides - the sector grew, and today is still one of the most cost-effective ways of targeting an audience," Sutton muses. "While events have always been a priority for the retail industry now, more than ever, they are crucial footfall drivers for bricks and mortar centres in order to compete with the online shopping world."

GET DATA PROTECTION READY

With GDPR imminent, here is why being compliant is important and how it can benefit your centre.

Ben Chesser, CEO at retail and real estate marketing specialist Coniq

The General Data Protection Regulation (GDPR) deadline has been looming over every organisation that processes personal data and it finally comes into effect this month on 25 May. With penalties for non-compliance standing at four per cent of worldwide turnover up to €20m, it goes without saying that any centre should be in the process of going through all back-data to get rid of any questionably-obtained information and updating data gathering methods to be fully compliant.

Direct digital and social media marketing has become an integral and important part of the shopping centre promotional strategy in the age of connectivity. Whether it's via email, text, push notifications, people tracking or wifi connectivity, the data that has been collected in recent years via all these contact points has proven itself to be marketing gold-dust.

Data is valuable because it allows businesses to understand its customers, predict buying habits, movement patterns, establish loyalty through targeted marketing and build a strong revenue stream. But the new regulations put the means by which this personal information has been collected under a microscope.

Current law already requires you to have an individual's consent before you send marketing emails or texts. The new law raises this bar and the standard of the consent, calling for it to be freely given rather than being bundled in with terms and conditions in a pre-ticked box. The bottom line is that any consumer supplying a company with personal information must be presented with the unambiguous, opt-in request to allow a company have that data and use it for appropriate purposes.

Simon Maunder, chief executive officer at Rezcomm, an omni-channel marketing solutions firm, explains the steps that need to be taken in order to establish full transparency with data collecting and how to be compliant.

"The data protection landscape has changed considerably, since earlier legislation was introduced, resulting in cybersecurity, liability of data collection entities, and the new mandatory procedures, being regulated against the backdrop of digital transformation," he explains.

"Put simply: old policies have been overtaken by the speed and breadth of the digital revolution, and nowhere more so than in the area of cybersecurity. The delay in forming new policies to combat the reality of new cybersecurity threats facilitated by the digital revolution and its paperless structure have for some time been of grave concern."

Maunder says that in recent years, cybersecurity in relation to personal data has evolved through cloud computing, which has become a mainstream method of delivering IT services for organisations worldwide. The objective of the GDPR, he says, is to provide a set of simple and effective best practices to help businesses align with regulatory compliance, to protect businesses from these sorts of attacks, but ultimately to protect personal data.

"We have a dedicated compliance team, as well as legal and IT security professionals who provide ongoing support and guidance to our company to ensure that our staff appreciate, recognise and prioritise the protection of personal data."

With the introduction of the General Data Protection Regulation looming, Rezcomm decided it was appropriate to take this opportunity to assure its clients of its ongoing commitment to information security in order to strengthen its governance controls.

The question, then, is what steps are necessary in order to become compliant? For a start there is staff education. If the people on the entry levels are unlawfully collecting customer information then the company can be held accountable. Staff should therefore undergo instructive GDPR compliance training to ensure standards are upheld.

Going forward, Rezcomm suggests that collecting data should be approached with six principles: processing data lawfully, fairly and transparently; collecting data for a specified, appropriate purpose; keeping information gathered

relevant to the necessary points; recording data accurately and keeping it up to date; storing data only for the appropriate amount of time; and ensuring appropriate accountability, security, integrity and confidentiality.

These basic principles should be enough to ensure subsequent data collection is GDPR compliant. But being able to prove this is another matter. Steps that can be taken so as to be able to demonstrate compliance, Rezcomm suggests, are: keeping detailed records of data processing operations; documenting data protection policies; and appointing a Data Protection Officer.

DATA CLEANSING

The task of become compliant has been, and continues to be, a daunting one. But it bears reminding that there are benefits that will manifest going forward, the most obvious being the purification of data sets. Ben Chesser, CEO at retail and real estate marketing specialist Coniq, says that there are four key ways that every mall owner can take advantage of with the right strategy: consolidation, accuracy, acquisition and innovation.

"Acquisitions, 3rd party activities and system upgrades can all contribute to a disparate data landscape made up of a collection of different databases," he explains. "Owners can use the deadline to ensure old or extraneous databases are consolidated into a single, compliant CRM system and any unneeded data is removed."

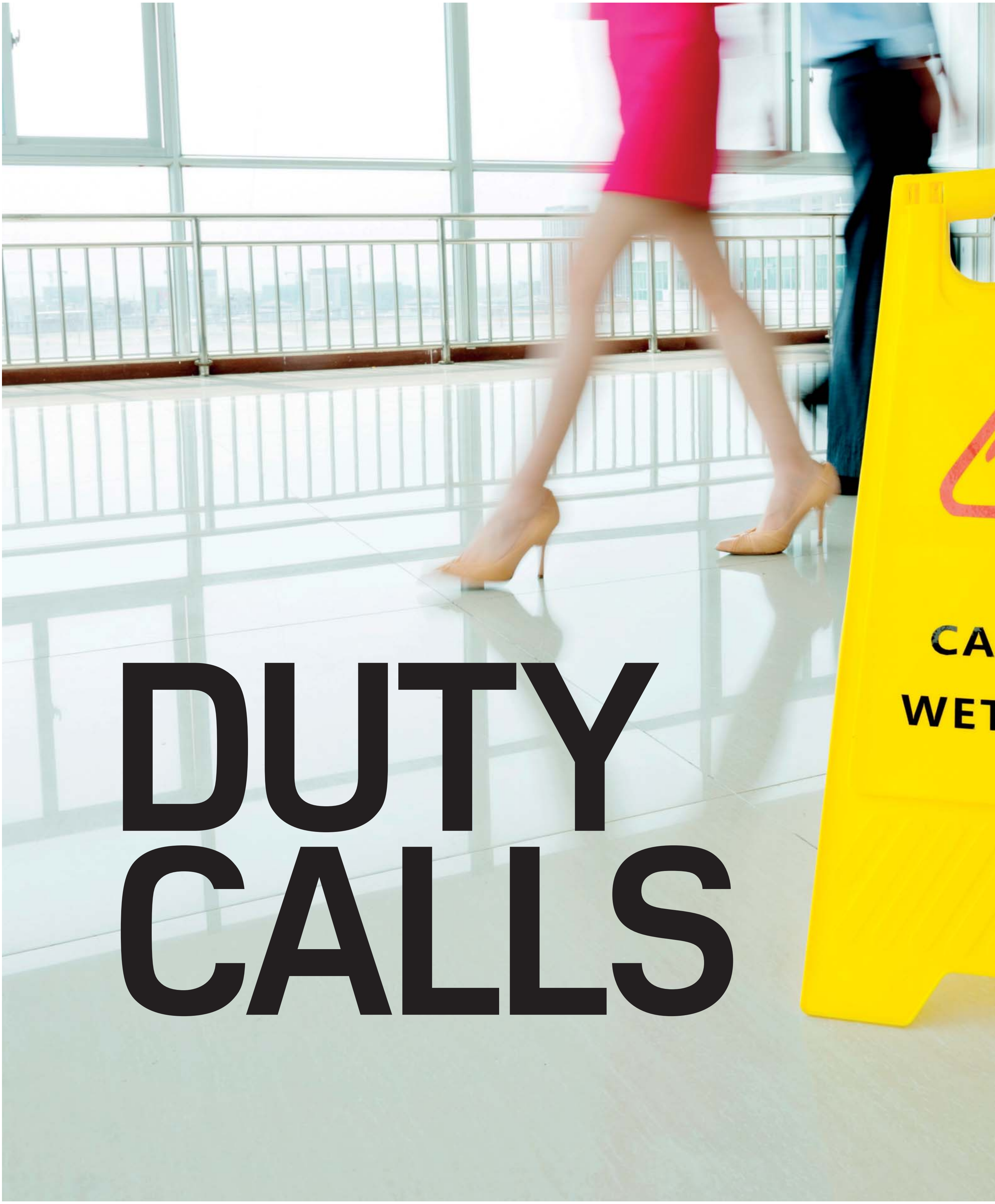
He says that the media attention will call out those who have simply paid lip service to the change in the law, but that organisations who have a strategy in place, who act responsibly and who genuinely improve the quality and accuracy of data will have the chance to build a stronger relationship with the customers they serve.

Chesser believes that it will boost loyalty, saying that GDPR compliance will serve to assure shoppers that any personal information they supply will be held and used for appropriate reasons: "Renewed confidence in the use of data should rekindle a centre's desire to identify and engage with their customers, developing a deeper relationship with their most loyal visitors and a valuable asset of any brand."

And in regards to innovation he says: "The biggest winners will not only be those that simply comply, but those that look at how this opportunity can also be used to introduce new innovations that use the data to improve the shopping experience for their valued guests.

The bottom line when it comes to collecting data going forward is transparency. No more hiding consent in pre-ticked boxes or in the fine print of terms and conditions. Consent to store personal data must be given freely following an unambiguous request in clear, plain language, it must be recorded accurately and, should they wish it, consumers should always have the option to withdraw their consent at any time.

"The spotlight focus on enforcing good and transparent data practices provides a great opportunity for all operators to build a solid CRM strategy, and establish shopper data as a valuable, core asset of their business. I, for one, am genuinely excited to see how the most innovative owners capitalise on the next six months," Chesser concludes.



DUTY CALLS

The reputation of retail destinations lies with health & safety, writes Vicky Shah

Fierce competition and greater transparency driven by social media means that centres can ill-afford a high-profile health & safety breach, with brand reputation now more important than ever before. In light of this and to address the lack of consistency in some areas through the supply chain, many are rethinking their approach to risk.

Enhancing the role of duty holders and improving due diligence can significantly reduce the likelihood of an accident waiting to happen.

For decades, the sector has been under significant pressures when it comes to health & safety, with increasing legislations making it very difficult to keep abreast of best practices. In many cases, centres will appoint a named 'duty holder' who may not entirely understand their roles and responsibilities.

The rise of social media-driven news feeds means the British public are increasingly clued-up about health & safety risk, with UK retailers actively taking a cautious and transparent approach to safety - especially with any incident now just one click away from escalating into a full-blown media frenzy.

We only need to look at recent high-profile safety failures to see the outcome of getting it wrong. Working together with our clients, I see an increased focus and visibility requirement on ethics and safety in the entire supply chain also.

A high profile case saw a top High Street chain fined a record £536,000 for fire safety breaches after a devastating fire in 2007. Investigations showed failings around inadequate emergency exits and poor staff training. Looking beyond the financial implications, the blaze not only destroyed the store but the subsequent negative publicity saw the brand's damaged reputation take almost 10 years to repair.

As we all know, having a clear and robust system in place plays a large part in preventing such risks from developing in the first place, so why are breaches like this still happening?

First, let's look at the role of a duty holder. According to the Health & Safety Executive (HSE), a duty holder is the named responsible person whose role is to ensure any potential health & safety risk is assessed, and that procedures are put in place to reduce the risk as is 'reasonably practicable'.

However, given the narrow scope of the regulation and the lack of organisational pull through, duty holders are often left wondering what the law says about their responsibilities and what the consequences are if they fail to comply.

What's more, when a breach inevitably occurs, duty holders can often be far placed from the scene and unaware of the true breadth of their responsibilities. In large organisations particularly, although there are duty holders designated at almost every level of the company, the chief executive is considered the ultimate duty holder.

Consequently, it can be difficult for businesses to co-ordinate a health & safety approach that encompasses the whole organisation, which in turn significantly increases the risks of accidents likely to happen.

The increased scrutiny any incident inevitably brings has driven greater enforcement of specific health & safety standards. This includes a greater onus on following best practice guidance like the HSG65, voluntary approved codes of practice (ACOP), as well as compulsory orders such as the Fire Safety Order 2005.

In light of this, duty holders would be wise to up their due diligence – making it compelling time for organisations to review their current risk systems. As we've seen, given the serious ramifications of a health & safety breach, the added piece of mind this can bring is priceless.

For many retailers, this starts with calling the experts in. At Bureau Veritas, our health & safety experts specialise in creating centralised risk management systems that not only reduce the likelihood of such incidents but also offer invaluable training to duty holders in the organisation.

Vicky Shah is retail and hospitality lead at Bureau Veritas

Councils continue to buy shopping centres

Research from property consultancy Carter Jonas and Revo has found that local authorities have spent around £3.8bn on commercial property assets between 2013-2017.

Spelthorne Borough Council in Surrey, which contains the towns of Ashford, Shepperton, Staines and Sunbury, was the biggest local authority investor committing £477.1m to assets within its domain. This is more than double its nearest rival Warrington Borough Council (£219.5m) and is largely down to the purchase of BP's international centre for business & technology in Sunbury for £360m.

Of the £3.8bn invested in commercial property assets, nearly half was spent on the acquisition of office space. Retail accounted for nearly £1.2bn of spend with shopping centres (£600m) and retail warehouses (£400m) the most popular assets. The remaining investment was split between industrial (£500m), mixed-use (£100m) and leisure (£80m) with a small amount diverted to other alternatives.

The findings are part of a new research report, which surveyed members of the public and private sector including local authorities, investors, developers and other key stakeholders to identify the challenges and issues facing the UK's town centres. This is the first phase of a comprehensive study that will be released in Autum 2018.

Competition from online shopping was identified by 28.4 per cent of respondents as the biggest challenge for the UK's high street over the next five years. Business rates (13.6 per cent) and reduced demand for space from retailers (13.6 per cent) were also singled out. 53.1 per cent of respondents highlighted improvements to and investment in the public realm as the most important initiatives to deliver town centre regeneration. Nearly half of respondents agreed that strengthening local and national town centre first policies and reducing business rates were also critical.

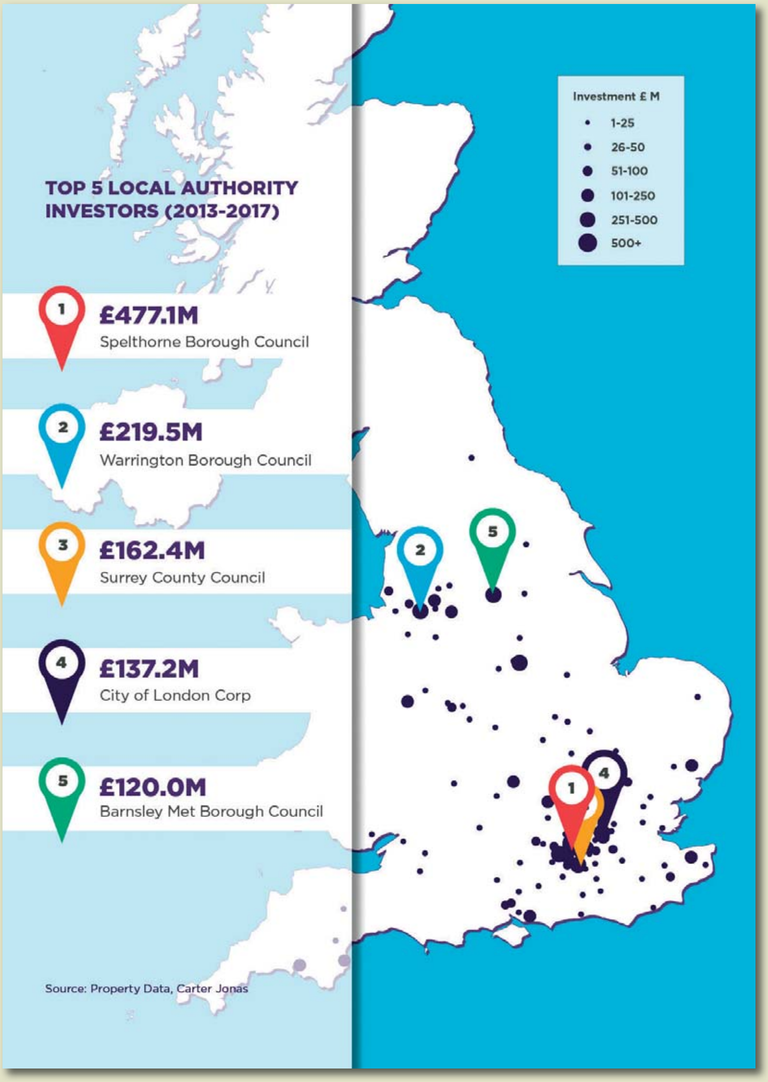
Dr Steve Norris, head of regeneration, retail and town centre consultancy at Carter Jonas, said: "The scale of local authority investment in commercial property assets can in part be attributed to the availability of affordable credit, but is fundamentally born out of a deep desire to protect and improve the UK's struggling town centres. However, the acquisition of these assets is only the first step and they need to form part of a broader masterplan or regeneration vision to ensure the investment potential is fully realised and deliver long term social benefits.

"The challenges facing the UK's town centres and high streets are well documented, but we have embarked on this comprehensive study with Revo to identify a series of workable solutions that can be put into practice to halt the decline. Our research reveals that over 66 per cent of respondents still see joint venture partnerships as the preferred funding models for regeneration projects, so we hope to ignite fresh dialogue between the public and private sector to unlock new opportunities."

Ed Cooke, chief executive at Revo, said: "This joint research between Revo and Carter Jonas underlines that councils have emerged as significant owners of commercial property. Owning commercial property not only generates long-term income for the local authority, it enables them to play a more active role in reshaping their urban environment to ensure they remain the heart of communities.

"We therefore welcome this positive intervention from councils but given the pace of change in the retail sector in particular, it is imperative that the public sector draws on the expertise and resource available in the private sector to manage and re-position these assets, so they remain relevant, vibrant and income-producing.

"Indeed, the future success of the UK's urban environments relies on better collaboration between the public and private sectors, and we will continue to play a lead role in bringing the two together."



Investment slowdown continues

Investment into UK shopping centres reached £337m across 11 deals in the first quarter of 2018, according to Savills. Turnover is down 9 per cent year on year although the deal count is up on the eight recorded in Q1 2017

Savills commented that the lower levels were driven by a series of retailer administrations which has had an impact on the market.

Notable transactions in the first quarter included Canterbury City Council's acquisition of TH Real Estate's 50 per cent stake in Whitefriars, Canterbury for in excess of £75m and British Land conditionally exchanging contracts to acquire Royal Victoria Place in Tunbridge Wells from Hermes for £96m.

Councils have again been the most active buyers in the market, accounting for £155m of deals across five transactions, a total of 46 per cent of total investment volumes.

Savills highlights there are currently 13 schemes worth £874m under offer and another 19 schemes worth £1.5bn on the market. As a result Savills is predicting full year volumes should get close to £2.5bn, above the £1.7bn recorded in 2017 but below the long term average of £3.9bn.

Mark Garmon-Jones, head of shopping centre investment at Savills, said: "This quarter has been an interesting one in the shopping centre market with the flurry of corporate M&A activity and retailer CVA activity making headline news, as well as creating uncertainty. There have also been several high-profile deals as investors seek secure prime assets located in the south east and key regional cities, something we expect to see continue to the end of the year. This will be alongside investors focussing on convenience and needs-based schemes or repurposing opportunities."

This subdued sentiment is echoed in new research from Colliers International which shows investment volumes weakened markedly in 2017 and stood at just £1.9bn, down by around 40 per cent from £3.1bn in 2016, highlighting that investment appetite for shopping centres has waned considerably. No deals worth more than £200m were recorded in 2017, compared to four large deals in 2016. Notable transactions in 2017 included Invesco's £150m acquisition of a 50 per cent stake in Southside Wandsworth (4.4 per cent IY) and Frogmore's purchase of Stratford shopping centre for £142m (5.5 per cent IY).

Shopping centre retailers are feeling the same pressures as high street retailers. According to data from the MSCI quarterly index, annual shopping centre rental growth fell to 1.2 per cent y/y in Q4 2017, down from 1.6 per cent year on year in Q4 2016 and the weakest growth in two years. Overall, vacancy rates crept up to 6.6 per cent in Q4 2017 from 5.7 per cent in Q4 2016. Like high street operators, shopping centre occupiers face another challenging year with an increase in cost pressure weighing on retailer profitability. Despite positive rental growth at the end of 2017, Colliers expects shopping centre rents to decline by 1.5 per cent in 2018 and by 0.5 per cent in 2019. Thereafter, marginal rental growth is forecast with the average rate until 2022 at just 0.1 per cent pa. Equivalent yields are predicted to soften by 37bps this year as a general repricing of secondary space occurs, followed by a further 10bps in each of the following two years. Hence, capital values will fall for all but the largest regional prime centres.

Rates appeal system failing

Businesses remain totally let down by CCA, the new Business Rates Appeals System which is clearly not working, according to rating experts at Colliers International.

In answer to FOI Requests made by Colliers International to the Government's Valuation Office Agency (VOA) concerning "Find My Business Rates" and the "Check Challenge Appeal" system, the VOA revealed that 88% of the 2085 respondents in the period April 1st 2017 to 19 March 2018 said they were dissatisfied or very dissatisfied (17% and 71% respectively) with the new system and only 2.7% were very satisfied. Any claim by the Government that early teething problems have been ironed out is therefore "delusional" says Colliers.

CCA came into force on 1 April 2017, despite widespread concern from business rates professionals that it had not been properly thought through and requires ratepayers to check the information held on the property by the VOA as the first step in the process. Multiple properties held in a portfolio must each be claimed separately and the identity of the ratepayer must be proven with supporting documentation, making the process cumbersome.

Nearly 600 different respondents felt strongly enough to elaborate on their concerns about the system, complaining about lack of simplicity and clarity, calling for information on previous valuations, the search system to work properly, greater speed and the need for guidance notes about how the whole process worked.

Two main complaints stood out: "It needs to be much easier to contact you" along with "The need for a Freephone number for help" and "I would have liked a text box to be able to explain my reasons for compiling the check." Users appear frustrated that there is no one that can guide them through the system, no one to explain their issues to and no opportunity to even put forward their reason for challenging their business rates assessment.

The new rating appeals system also fails to provide provision for an agent to submit appeals on behalf of the property owners - adding to the confusion.

CCA was introduced on the day the largest changes to business rates in a generation were published in April 2017. This included significant rate increases across London and the South East alongside a downside transitional scheme for the rest of the UK that offered little respite to rate payers in the depressed areas. This has caused chaos and economic difficulty for many businesses, particularly retailers - as reported in the latest business news.

The ability to appeal against the new rateable values seems now to have become an issue with latest figures revealed in February showing that only around 12,000 properties have begun to be check and challenge their rating assessments and only one has reached appeals stage. According to John Webber, head of business rates at Colliers International, given that there are in the region of 1.8m rateable hereditaments, these figures imply 99.7% of businesses are happy with their rating assessments, which is of course "laughable."

Webber continued: "Reading through the responses it is obvious that businesses are confused and frustrated by this new system, which is clearly restricting business owners' rights to appeal. The Government ignored the advice of rating experts when it introduced Check Challenge Appeal which we said was unworkable at the time, and despite our criticisms, rolled on ahead regardless."

He added: "These figures bear out our concerns. The fact that nearly 90% of over 2,000 respondents have registered their dissatisfaction speaks volumes. It is as if ratepayers are being penalised for exercising their right to question their business rates by making it more difficult and expensive. Ratepayers want personal contacts to explain their issues to, yet at the same time the Valuation Office Agency is less and less resourced with lay-offs and further closures of regional offices on the horizon."

Webber concludes: "The lack of planning, insignificant time to trial the system before it went live and apparent lack of desire by the government to engage with agents and their software providers has resulted in a system close to collapse. With the 2017 rating revaluation producing some of the largest increases in liability in a generation, and 2018 building up further rises, it appears this government has proved again that it neither understands the pressures facing businesses or has a willingness to act on calls to change. "

Restaurants hold up on high streets

Many casual dining brands continued to expand on British high streets over the last year, despite the host of challenges facing the eating and drinking out sector – fuelling concerns about market saturation.

That is among the key findings from the latest edition of the Market Growth Monitor from CGA and AlixPartners. It reveals that Britain had 122,221 licensed premises at December 2017 - a drop of just 0.3% on 12 months earlier, despite mounting cost pressures, weak market confidence and uncertainty over Brexit

The bulk of closures of licensed premises in 2017 were of drink-led pubs and bars, the Monitor shows. But Britain's casual dining brands remained in growth last year, with overall restaurant numbers rising by 0.6% in the year to December. The country now has 16.7% more restaurants than it did in December 2012, underlining the growth of the sector

The Monitor also pinpoints high streets as the leading source of this growth for restaurant operators. The number of licensed premises on high streets increased by 0.6% in the year to December 2017 - compared to declines of 0.8% and 0.2% in suburban and rural areas respectively.

CGA's recently-published 2018 Business Leaders' Survey suggests that many operators will now be scaling back their new opening plans over this year. Concerns about market saturation and rising property costs, especially among food-led operations, as well as people and food costs are likely to dent the number of licensed premises in 2018. But while several high-profile casual dining brands have announced closures recently, the Market Growth Monitor provides a reminder that not all are turning off the tap – as the long-term picture has been of steady growth.

Other trends identified by the new report include:

- Growth in the North West, with the region increasing its number of food-led licensed premises by 2.9% in the year to December 2017
- Tough trading conditions in outer London, where total licensed premises fell 1.9% in the year—compared to 0.6% growth in inner London
- Consistent growth in food-led pubs and bars, whose numbers have increased by 4.7% since December 2012.

AlixPartners managing director Graeme Smith said: "With some casual dining operators announcing restaurant closures at the start of 2018, there has been much talk of over-supply in many of Britain's cities and towns. But where exactly is supply exceeding demand? With consumer habits changing so fast, it can be hard to tell—but Market Growth Monitor tables show some of the places that have been particular targets for new openings in the last five years.

"Top of the list is Solihull, where Touchwood has been a magnet for casual dining brands. Second and third are Milton Keynes and Chelmsford — both towns in which closures have announced recently. Milton Keynes has around 28% more food-led licensed premises than it did a year ago, and may well be at risk of saturation — though its popularity as a place to live among professionals and young families continues to increase. Darlington, Shrewsbury and Loughborough have also seen a steep rise in new restaurants — although it could be argued that these towns were previously badly under-served by operators.

"At the other end of the spectrum, Oldham, Wrexham, Rotherham and St Helens have all seen a double-digit fall in licensed premises in the last five years. In all cases, most closures have been pubs rather than restaurants. For all brands, selecting the right towns for openings will be more important than ever."

CGA vice president Peter Martin added: "2018 is shaping up into a tough year for pub, bar and restaurant operators, and CGA's Business Leaders' Survey suggests we may not have seen the last of closures from some of our biggest casual dining brands. Operators are reining in expansion plans and are predicting an increase in business failures. But our latest Market Growth Monitor is a reminder of the underlying strength of the sector despite the perfect storm of challenges that has been whipped up. People are still going out to eat and drink, and operators who can deliver value for experience and select the right locations for their new openings can still thrive."

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COLLABORATE TO MAXIMISE SECURITY

Keeping security teams motivated is more important than ever says **Adam Baker**

With five terror attacks last year in the UK and a further 10 thankfully thwarted by the UK security services, 2018 will see an increase in as well as innovative, technical intelligence-led security solutions.

The UK will continue to face the threat of terrorism for the foreseeable future, and the accessibility of crowded places like shopping centres, sports stadia, bars, pubs and clubs make them attractive targets.

One of the main challenges we face in continuing to deliver world-class manned guarding services, is keeping operational teams motivated and avoiding any appearance of complacency. Whether guarding against unauthorised entry to a building or premises; guarding against the destruction of or damage to a building or premises; or protecting a person from assault or injury, the challenges remain the same in the current climate.

Having been at the national threat level of Severe since August 2014, rising to Critical on two occasions last year, it would be understandable for some security personnel to be suffering from threat fatigue. Keeping them motivated is critical. It is up to businesses like ours to ensure that positioning and posture and routine-variation are at the forefront of our security teams' minds at all times.

A rapid and regular stream of communication through which to share intelligence updates is also essential to an effective security team whether, manned guarding or otherwise. Achieving the right behaviour is enabled through an understanding of the variety of the threats out there and a clear understanding of what is required.

Dedicated, motivated and professional security staff are an essential component of protective security regimes. However, we believe that it's not enough to just focus on security personnel in isolation. Effective counter-terrorism is about reducing the likelihood of an attack and getting it right requires everyone on site to work together, just as they would in response to a terrorist event.

Our position as an integrated facilities management service provider means that we also work with cleaners, engineers and parking attendants, to name only a few of the teams present on a site every day. All of these people see and hear a lot of what happens both during and after opening hours, and play pivotal roles in helping us all to deter and detect those who have may have sinister intentions.

At ABM, we make sure they are all trained in counter-terrorist strategy and that they can play meaningful role in reducing the chances of an attack. While any given site is likely to have a combination of staff working for the managing agent, any number of facilities services providers as well as numerous subcontractors, we believe that when it comes to counter-terrorism, competitors must become collaborators. Not only should they share the training room, but they must be in constant communication.

Before an attack, terrorists will carry out reconnaissance on a target site. Often, they are looking for patterns in the behaviour and movement of both visitors to a site, and the people working on a site. Patterns that repeat over a period of months are helpful to their plans, but when those patterns are disrupted, their confidence is dented and plans can be dropped.

Randomising operational patterns of behaviour and introducing new counter-terrorism approaches will cast doubt in the eyes of those planning an attack. Doubt is the key to successful deterrent. Although patterns should appear randomised, they must be changed with confidence and executed with precision by everyone working on site. That only happens with clear, consistent and concise communications across all parties.

Just as the nature of terrorist threats has changed, so must efforts to deter them. Preparing to respond to the worst-case scenario is clearly important, but preventing it from happening in the first place must be the collective objective of everyone working on site. For this collaboration is key.

Adam Baker is business development & marketing director at ABM UK

Exchange Ilford hit for six

Cricket simulator company Batfast gave visitors to Exchange Mall in Ilford a unique opportunity to play cricket inside a shopping centre with a two-week installation of one of its innovative simulators during the Easter holidays.

Working in collaboration with Essex County Cricket Club, over 1,000 users of all ages and abilities trialled the Batfast simulator during the Easter holiday period. The simulators incorporate a giant projector screen and allow cricket participation within a small footprint in almost any environment.

Batfast co-founder and former Kenyan international cricketer Runish Gudhka said: "We've seen people of all ages trial our simulator and had queues throughout the day of visitors wanting to give it a try. With the 2019 Cricket World Cup hosted across England and Wales and interest in the sport set to boom, we hope that further shopping centres will want to take advantage of the opportunity."

Shopping in the rain

The newest addition to Makinson Arcade in the Galleries centre in Wigan includes 142 colourful umbrellas, suspended from the arcade's ceiling, creating a gloriously colourful and exciting atmosphere for shoppers.

The Umbrella Sky Project was inspired by the Agitagueda art festival held annually in the beautiful streets of Agueda in Portugal where hundreds of umbrellas are suspended from almost invisible wires over the promenades for tourists to enjoy.

Centre manager Victoria Nichol said: "The pops of colour really add a special something to the arcade and we've already had such a positive response from the Wigan townspeople that we're keeping the installation until October, so as many people as possible can enjoy it."

This month's moves . . .

Ex-HRH Retail partner RICHARD WARD has set up a new niche property advisory business, WARD PROPERTY CONSULTANTS, specialising in retail and leisure property and mixed-use development. Prior to HRH Retail, he was at Cushman & Wakefield and King Sturge.

SAVILLS has added a new flavour to its retail and leisure team with the appointment of Masterchef finalist and property surveyor BILLY WRIGHT as a restaurant specialist. Wright founded MPW Developments and also worked as a surveyor specialising in restaurant acquisitions for Randall Commercial in London, before reaching the final of Masterchef in 2016.



LESLIE JONES ARCHITECTURE has reinforced its expansion and diversification plans through the promotion of four new directors and one associate. COS CONSTANTINOU, LEE POPE, SIMON SCOTT and NICK STRACHAN have all been appointed directors while DARREN ANDREWS has been made an associate.

Commercialisation expert BILL MOSS has joined MALL SOLUTIONS EUROPE and PHARAOH on an advisory basis. He will work on key accounts as well as the development of new and disruptive commercialisation projects. As director of brand ventures and mall retail at Westfield Europe, he pioneered the development the commercialisation potential of two of Europe's leading leisure and retail destinations.

Designer outlet operator MCARTHURGLEN GROUP has appointed SHAEREN MCKENZIE, currently group marketing director, as its first chief brand officer. McKenzie has served as McArthurGlen's group marketing director and member of its executive team since September 2009. Prior to joining McArthurGlen, she was marketing director at Sara Lee Corporation.


AVIVA INVESTORS has appointed DANIEL MCHUGH as head of UK real estate and MELANIE COLLETT as head of real estate asset management. McHugh was formerly head of continental European real estate investment at Standard Life Investments, and Collett was formerly head of asset management at Round Hill Capital. Previously, she spent 12 years at GE Capital Real Estate.