

Business

High Streets in London are worst hit for closures'

Laura Onita

RETAIL

LONDON'S High Streets have been plagued by more closures than anywhere else in the country, as the number of empty shops, pubs and restaurants soared.

A net 268 stores vanished from the capital in the first six months of the year, industry figures showed today. That's a five-year high.

Central London was the worst hit, with 163 units disappearing, followed by Kingston-upon-Thames and Romford. Pubs and inns have seen the largest decline, according to PwC and the Local Data Company said.

About 14 shops are closing every day, hurt by customers shopping more online and eating in.

The biggest casualties this year include the collapse of electrical goods seller Maplin as well as restaurant chains Jamie's Italian and Prezzo which have shut stores.

"The British High Street is in urgent need of new ways of thinking," PwC's Lisa Hooker said.

@LauraOnita

LandSec takes £200m hit from retailers' struggles

REAL ESTATE
Russell Lynch

DEVELOPER LandSec bore the scars of the pain facing UK retailers today as the firm wrote almost £200 million off the value of its property portfolio.

Hardest hit were the firm's retail parks, including the Lakeside park in West Thurrock, which slid 4.5% to £720 million in the six months to September. The company wrote more than £100 million off its shopping centres as the pressure mounts on tenants.

In central London, LandSec lopped 2.7% off the value of its shops including the landmark Piccadilly Lights scheme, where short-term letting income failed to match initial expectations.

Combined with smaller reductions for its offices, LandSec wrote off £188 million from its £14 billion portfolio.

Chief executive Rob Noel said LandSecs would continue to cut its exposure to retail parks following a stream of disposals over the past five years.

Noel said the firm had been "relatively unscathed" by so-called creditors voluntary arrangements, where retailers slash their rent to survive, although New Look's CVA move dented profits. Retail profits fell £6 million to £153 million as LandSec made a £4 million provision against other firms failing to pay through the full term of the lease.



Losing its shine: the developer cut the value of shops in schemes like Piccadilly Lights

"It's the first time we've done it and we're being prudent," he said.

Noel added: "The retail park market has been more affected by CVAs than any other market. When you have a retail park with between 10 and 20 occupiers, and two of them go bust, you've immediately got a 10%-20% vacancy and you've got to fill that. There aren't many people at the moment who

want space. With the best shopping centres you can keep them full."

LandSec said it is seeking planning permission for two mixed-use schemes in Finchley and Shepherd's Bush which could provide 1700 homes. "They are predominantly homes to rent and there is a huge shortage in the market, particularly in zone two," Noel added.

@russ_lynch

Hundreds of Britain's shopping centres 'in danger of collapse'

by Katie Grant

More than 200 UK shopping centres are at risk of closure, analysts believe.

The centres, collectively worth around £7bn, will collapse into administration if their owners fail to secure fresh equity for refinancing and "much-needed redevelopment", according to the asset management company APAM.

The firm highlighted Callendar Square shopping centre in Falkirk,

Stirlingshire, which was acquired by the private equity company Colony NorthStar in 2015 as part of a £311m portfolio. In 2006, the centre was valued at more than £25m but it sold for little more than £1m at auction last year, APAM noted.

Private equity owners "have sat on the income and

haven't been reinvesting", said APAM's executive director Simon Cooke.

The problems faced by shopping centres across the nation have been compounded by consumers turning to online retailers instead of bricks-and-mortar stores.

However, the closure of major "anchor" stores such as

BHS, which went bust in 2016, can also negatively effect other retailers in the same shopping centre.

"If the major anchor store moves out, that has a halo effect on other stores in that centre," Nelson Blackley, an analyst at the National Retail Research Knowledge Exchange Centre, told the BBC.

"It's a downward spiral and you can't fill shopping centres with nail bars and vape shops," Mr Blacklet added.

£7bn

The collective worth of the 200-plus shopping centres in Britain that could close if owners fail to secure fresh funding

From: Goddard, Michael

Sent: 24 January 2019 11:48

To: Pantry-Melsom, Kieran <Kieran.Pantry-Melsom@croydon.gov.uk>

Cc: Derby, James <James.Derby@croydon.gov.uk>

Subject: FW: Licensing Committee Hearing - Dingwall Road

I made representation to you in two forms on the above , being first as [REDACTED] Director [REDACTED] and subsequently as [REDACTED].

As [REDACTED] Director [REDACTED] I note that I was at that time primarily concerned by the visual aspect of the trading offer, and to cut a long story short their trading aesthetics are considerably improved , albeit I still question why they removed a perfectly serviceable kiosk to be replaced by a horse box . No matter how much they dress up the latter however , it remains a poor introduction to the town`s retail offer at this station exit , in contract to Boxpark at it`s Southern exit point.

[REDACTED] I raised a more fundamental issue as to why the Council is contemplating the designation application in any form when the High Street is currently in considerable financial flux (see the attached recent press cuttings), and every beverage sold at this location compounds the latter for it`s near neighbours , not least Boxpark in which the Council has made a considerable investment. The trader on this site pays a minimal rent and no rates, so their contribution to the economic sustainability of the town centre is negligible, and shouldn`t in my view be encouraged at this stage.

I had a very informative meeting with [REDACTED] and from the latter it is my understanding that there is no retail hierarchy framework against which the licensing committee can objectively benchmark this form of retail application. Whilst I have no intrinsic objection to designation applications , their value alters if they are accompanying existing retail locations i.e a seating area in front of an existing restaurant or as an incubator site for a prospective business i.e street vendor with a limited licence to test the market before they are expected to upsize to retail premises. In both of the latter instances the designation is supporting either an existing or potential new business to add to the town`s retail mix / sustainability.

The existing tenant on this site is merely looking to trade at the lowest possible cost as has been his practice for some considerable time, and I am at a loss as to why the town should continue to support this approach when established retailers are having to consider leaving the town , with a subsequent reduction in local employment and economic activity.

On the above basis I continue to object to this application , and by copy of this correspondence I would ask [REDACTED] if in her services to the [REDACTED], she can accept a request to work with myself to construct a methodology in which future Designation applications can be assessed within an overall economic framework for the town centre.

Regards