

Leasing retail space

Information pack



Retail in Network Rail managed stations

Our team manage retail in 19 of the 'highest profile' stations in Britain. Station retail is unique. It has guaranteed high footfall and is exceptionally fast paced; due to this, trading in a station environment can be complex.

Experience in this market is highly desirable for potential retailers, but our team are also on hand to help!



BIRMINGHAM NEW STREET



BRISTOL TEMPLE MEADS



CLAPHAM JUNCTION



EDINBURGH WAVERLEY



GLASGOW CENTRAL



GUILDFORD



LEEDS



LIVERPOOL LIME STREET



LONDON BRIDGE



LONDON CANNON STREET



LONDON CHARING CROSS



LONDON EUSTON



LONDON KING'S CROSS



LONDON LIVERPOOL STREET



LONDON PADDINGTON



LONDON VICTORIA



LONDON WATERLOO



MANCHESTER PICCADILLY



READING

Station retail trading

Minimum requirements to trade in our stations

- Two trading units of the same type of business you propose to trade in stations
- Shops/units trading for a minimum of 6 months
- If you do not have two trading units please see '*Alternative Options*' on page 10

What we look for in our retailers

- An acceptable credit check result on your business by our Accounts department
- Trading history and business experience
- A range of products to meet the needs of our customer base



How does leasing work?

The Category Manager for the station will review a number of factors when deciding which retail offer or category would be best suited to the opportunity

This includes:

- Size of the unit / space
- The location
- The services available
- Existing station tenant mix
- Strategies for the station

Category Managers will then review the respective retailers held on file and approach them with the opportunity to tender.



When are units/ shops available to lease?

Existing retail space/unit

Approximately 18 months before a lease is due to end the portfolio team will look at options on renewing a lease or tendering the unit out to retailers.

New retail space/unit

Where we have created new retail units through station development schemes we look at the category management holistically. We then approach retailers once we have agreed the best mix for the station.



Types of units



INLINE UNITS

Inline units are built into the station, usually on the perimeter and are flush to the station concourse. They vary greatly in size (anything from 65 sq ft to 20,000 sq ft).

Units are usually provided as a shell and core (e.g. breeze block walls, unscreeded floor and capped off services). Allowing the retailer to be fully responsible for the unit fit out (e.g. floor and wall surfaces, lighting, and on occasion, the frontage to the unit).

At the end of the lease, the unit should be returned to shell and core.



POP-UP UNITS

In an effort to not clutter station concourses we rarely endorse permanent kiosks, we do however have opportunities to provide spaces for short-term pop-up retail units to allow retailers to benefit from the high footfall on the station concourses (brands are responsible for providing their own display).



MOBILE UNITS

These are not part of our retail strategy and as such will not be considered. These include carts; stalls; motorised/mobile catering; indoor and outdoor market concepts and semi-permanent kiosks.

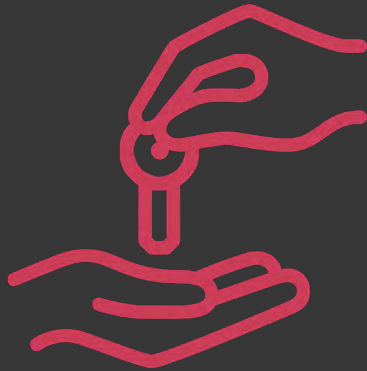


PERMANENT STATIC KIOSKS

These are being removed from station concourses nationwide to provide a better pedestrian flow for our rail passengers.

Where we have availability retailers are responsible for providing their own kiosks which have a set design with a maximum size of 3m x 3m.

Types of lease



LONG-TERM LEASE

Operate on a minimum of 3 year lease. This is the most common type of lease used across our portfolio.

ASSIGNING A LEASE

A tenant cannot assign a lease to another business.

SHORT-TERM LEASE

A maximum of 3 years, with the length of lease and payment being decided on a case by case basis. Availability is limited.

FRANCHISEE

Network Rail do consider franchised business models when letting Retail contracts at its managed stations.

However, we only do this through the respective brand's Franchisor or Master Franchisee and we do this with established retail brands.

RENT

We differ to other retail environments in that there is a minimum guaranteed rent, as well as turnover rent that is payable to Network Rail. The rent for a unit depends primarily on its turnover potential. It is affected by the footfall and the unit's location and configuration, not just the actual size.

Rents are based on a percentage of turnover (sales), backed up by a Minimum Guaranteed Rent (MGR). The turnover rent percentage payable varies by category; reflecting the gross margin of the product.

To give you a guide, our base rent is high compared to other retail environments, with an average base rent across all our stations of £180 per sq ft. This does not include all of our service charges, turnover percentage and utilities cost.

How to apply

As a guideline, the following information will be reviewed in order to establish suitability for trading in our stations:

- Length of trade you are proposing
- Size of operation
- Access to capital
- Annual turnover
- The number of existing trading units

As a preliminary step, please provide the following information to: **retail@networkrail.co.uk**

A brief summary of your business

Weblink and photos of your business

Locations of existing units

Concept including menu or product range

Size of unit required – min. and max. sq ft

Services required for the units



The application process

Step 1



Once your email has been received, the Category Manager will contact you within two weeks to discuss your proposal further.

They will advise whether it is viable for your business to trade successfully in our stations.

Step 2



The Category Manager will arrange an initial meeting with you to:

- Review and discuss your full business plan
- Check your audited accounts to confirm your business is financially sound
- See your operation up and running
- Clarify that the product range, quality, operation and shop fit, are all of the required standard to fill the demands of station retailing

Step 3



If deemed to be suitable, your details will be held until an opportunity arises.

Then the Category Manager will contact you and provide some details and also invite you to tender.

Step 4



A credit check will be carried out on your business by our Accounts Department. This is to assess any credit risk that may provide an issue with a leasing space to your business.

Twelve months prior to the lease end date, several retailers will be invited to tender. The submission date is 4–6 weeks later.

The decision on who to award the tender to is based on financial expectations being met, as well as non-financial information, such as: fit out design and proposed materials, product range and pricing points.

Alternative options

The following opportunities may be available for retailers who have fewer than two trading shops/units:

- For leasing a unit outside Network Rail managed stations, e.g. railway arches, please contact the Commercial Estates Helpdesk on **0800 916 8895**. Your details will then be taken and you will be directed to the relevant person to deal with your enquiry. Alternatively, see our website for new business spaces property.networkrail.co.uk
- For pop-ups please contact retail@networkrail.co.uk
- Stations not managed by Network Rail may have different criteria for trading – contact details for the Train Operating Companies who manage the other stations, can be located on the National Rail Enquiries website under the ‘stations’ tab - nationalrail.co.uk

If your interest still lies with space inside Network Rail managed stations, please contact us again once you have two shops/units trading for a minimum of 6 months.

For St. Pancras International applications, this station has a separate Retail Team. Please email enquiries for this station to Jonathan.Watson@highspeed1.co.uk



Thank you

for your interest in retailing
at Network Rail.