



PROPERTY CONSULTANTS

Made in Nottingham

# RETAIL & LEISURE REVIEW 2015

*There are clear signs that consumers  
have got the spring back in their step.*

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WE'VE BEEN FOLLOWING THE RETAIL AND LEISURE MARKET FOR 25 YEARS.





# RETAIL & LEISURE REVIEW 2015

## INTRODUCTION

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### LOCKED ON TO GROWTH

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### MONEY BACK INTO THE POCKETS OF CONSUMERS

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### MORE INCLINED TO

### *indulge* A LITTLE

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### more than just a

### DASH TO THE SHOPS

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There are clear signs that consumers have got the spring back in their step.

After some dark days in the wake of the financial crash and the recession that followed, the UK economy has locked on to growth, major living costs have started to fall significantly, taking inflation down with them. That's put money back into the pockets of consumers, with Asda's own tracker of surplus income now nudging £180 a week – a record level – which adds weight to the view that people are now more inclined to indulge a little.

With technology taking offers and opportunities right on to the smartphone in your pocket, the race is on to secure a share of that spending power. In the era of home delivery or click-and-collect, where are they going to spend it?

At FHP Property Consultants, we've been following the retail and leisure market for 25 years, and we've seen retail concepts come and go – along with overblown forecasts that the High Street was finished.

Our experience told us that though the doom-mongers had got it wrong, what we knew as retail was evolving into something more than just a dash to the shops.





FHP HAS BROUGHT A NUMBER OF EXCITING NEW DINING CONCEPTS TO THE CITY CENTRE – BRANDS LIKE BILL'S, REDS TRUE BARBECUE, FIVE GUYS, GEORGE'S FISH & CHIP KITCHEN AND OTHERS.



Bill's

**FIVE GUYS**  
BURGERS and FRIES

A BOLD & BUBBLY PLACE  
**GEORGE'S**  
FISH & CHIP KITCHEN

THE NEW YORK  
**RED'S**  
OF BEEF & BARBECUE

WELCOME THEN, TO... THE LIFE OF LEISURE

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**EXPERIENCE.  
IMMERSIVE.  
AUTHENTICITY.**

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MIX OF HIGH-QUALITY  
**BRANDS**

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**TO SUIT DIFFERENT  
DEMOGRAPHICS AND  
DIFFERENT POCKETS**

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*fabulous*  
OLD MARKET SQUARE

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*We know the right locations  
with the right customers*

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**62,000  
UNIVERSITY  
STUDENTS**

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**Experience. Immersive. Authenticity.** You can call them clichés if you want to, but these are the words that lie at the heart of the successful retail destination – whether that’s a city centre, a mall or a prime pitch.

Consumers no longer want to visit destinations just to shop. They want to experience a place, an experience which comes from being able to immerse themselves in retail and leisure destinations which mix high-quality brands, quirky independents and authentic environments with great, multi-channel customer service.

A key part of that experience is not retail but leisure, in the form of a portfolio of cafés and restaurants which range from fast-food to fast-casual to premium and fine dining. The variety is there to suit different demographics, different pockets and different times of the day.

How has this gradual shift from retail destination to retail and leisure experience played out? Look no further than Nottingham, where the fabulous Old Market Square – one of the great focal points of any UK city – now acts as the centrepiece for a range of new restaurants and cafés.

Just as Nottingham has always been amongst the first to secure major new retail brands, FHP has brought a number of exciting new dining concepts to the city centre – brands like Bill’s, Red’s True Barbecue, Five Guys, George’s Fish & Chip Kitchen and others. All of these signings are helping Nottingham to maintain its position as the leading retail and leisure destination in the East Midlands.

Right now, our live enquiries show that the numbers of restaurant concepts queueing up to come here is well into high double figures, and one of the key reasons why they choose to make the connection via FHP is that we understand their brands, the market they operate in, and we can relate that to a local landscape that we have an intuitive knowledge of. We walk the streets, and we know the right locations with the right customers.

Nottingham is a destination that works for them because it continues to serve up the numbers. One of those numbers is the 62,000 university students taking degrees and professional qualifications at the University of Nottingham and Nottingham Trent University. Those students now include some pretty substantial spenders – reports have suggested that the Chinese students who come here through the University of Nottingham’s links with China spend £40 million a year in the city alone.

CASE

# STUDY

## CASE STUDY: FIVE GUYS

## FIVE GUYS®

BURGERS and FRIES

**“WE’RE VERY PURPOSEFUL ABOUT HOW WE EXPAND, AND FHP HAS BEEN A GREAT HELP TO US IN GIVING US SOME CRITICAL INSIGHTS INTO THE NOTTINGHAM MARKET.”**

How important are those students? Why does Nottingham’s cultural vitality matter? And how important is an intuitive knowledge of the market? Here’s John Eckert, the UK CEO of Five Guys, the US chain which effectively invented the premium burger:

*“There is a significant student population in Nottingham from Nottingham Trent University and the University of Nottingham, and the city is also a top tourist destination with events and music festivals. All of these are factors for us – 60,000 students is important and the atmosphere that comes from culture and entertainment matters to us.*

*We’re very purposeful about how we expand, and FHP has been a great help to us in giving us some critical insights into the Nottingham market. The more savvy we can be about local markets the better it is for us.”*

When people see a lot of restaurants opening they might worry about a market reaching saturation point. The demographics – and an increased appetite amongst consumers – tell you otherwise.

And markets will always find their own level. Old concepts go, new concepts arrive. And they’re not necessarily national brands.





## CASE STUDY: 200 DEGREES

**“HAVING FHP BEHIND YOUR PROPOSAL ALSO GIVES YOU CLOUT - IF THEY’RE BACKING YOUR APPLICATION THAT SHOWS SERIOUS BELIEF AND IT HELPS.”**

One of the most interesting new arrivals we’ve handled is 200 Degrees Coffee. Based in one of Nottingham’s many character buildings in The Poultry, they’re a fascinating, new independent coffee house and deli.

But hold on a minute... aren’t independents supposed to be on their knees, buckling under the pressure of all those national chains?

Don’t believe the headlines. Good retail and leisure operators are people who understand consumers’ desires, and work incredibly hard at delivering good products and great service in attractive, well-located environments.

You don’t have to be a national brand to do that. Let the team behind 200 Degrees explain why:

Rob Derby and Tom Vincent came to Nottingham to study and liked it so much they stayed and went into business.

With 20 years in the leisure industry behind them, they’ve now launched a new concept in coffee shops: 200 Degrees.

On the one hand, it’s the showcase for their wholesaling business 200 Degrees Roasters. On the other, it’s an object lesson in how a cleverly-conceived independent can move into the same market as the national brands.

200 Degrees is situated just off Nottingham’s Old Market Square, it combines a stylish, original cafe where service is king with a barista school upstairs aimed at its expanding base of wholesale customers.

Tom explains:

*“I’ve been in Nottingham for 20 years and know it well. The site we moved into might have looked slightly off the beaten track, but this style of coffee is a little bit about discovery and not necessarily being on the main drag and shouting about what we do.*

*We’re subtly branded and people enjoy finding us and coming back. And being in a big city is different to being in a suburb – you only have to appeal to a comparatively small percentage of people to gain traction. But that’s what we’ve achieved and we’ve traded significantly better than we forecast.*

*The challenge a lot of businesses like ours face is not having an intimate knowledge of the area, FHP has access to a lot of properties which are not necessarily on the market and that enabled us to assess many sites. If you were just walking round on your own you wouldn’t know these places are available.*

*Having FHP behind your proposal also gives you clout – if they’re backing your application that shows serious belief and it helps.”*



CASE  
**STUDY**

**CASE STUDY: INTU VICTORIA CENTRE  
AND INTU BROADMARSH**

intu  
Victoria Centre

intu  
Broadmarsh

**THE GAME  
CHANGER IS THE  
ARRIVAL OF A NEW  
RESTAURANT AND  
LEISURE QUARTER  
AROUND THE  
ICONIC CLOCK  
TOWER.**

**TRANSFORMATION  
OF THE CENTRAL ATRIUM**

極度乾燥(しなさい)  
**Superdry.**

**URBAN OUTFITTERS  
OFFICE**



Who'd have thought that the Victoria Centre could be transformed into a state-of-the-art retail destination? Well, that's what intu is well on the way to achieving.

While Nottingham didn't get the shopping centre transformations it was hoping for during the boom, it's doubtful that both the Victoria Centre and Broadmarsh could have been transformed when they were in separate ownership. With both now under intu's wing, a complementary redevelopment plan has been identified.

And intu is delivering on its promises. The transformation of the central atrium at the Victoria Centre is complete, with light, open space replacing the hemmed-in feel of old, and major new brands reviving the centre's status as a major destination.

The transformation will continue. While there are some key retail deals still in the pipeline – on top of openings of River Island, Superdry, Urban Outfitters and Office shoes – the game-changer is the arrival of a new restaurant and leisure quarter around the iconic clock tower.

intu has also introduced free WiFi throughout the centre and a website which supports click-and-collect transactions. This is clever stuff, and reflects intu's status as one of the UK's most experienced players in managing large-scale retail environments and its intuitive understanding of the way technology is revolutionising the retail experience.

So, £40 million invested in the intu Victoria Centre. But what about Broadmarsh?

Having paused for breath after purchasing the centre in the economy's dark days, intu has taken stock of retail's evolution and produced a plan which means Nottingham is a place where two centres can complement each other.

Work should start next year on a £150m new-style intu Broadmarsh which will offer an attractive mix of retail, restaurants and leisure, while also playing a key part in the regeneration of the southern gateway to the city. intu's plans also feature the reinstatement of Drury Walk opposite Bridlesmith Gate, its artist's impressions showing sympathetic designs on historic Middle Pavement which drop a heavy hint about the quality of the retailers it has ambitions to secure. We're working hard on this already, and believe it to be a significant opportunity.

With Nottingham City Council planning to invest in pedestrianisation and high quality public realm on Collin Street, don't under-estimate the difference the new-style Broadmarsh will make.





## CASE STUDY: RATCHET CLOTHING

# STAYING AHEAD OF THE CURVE

Wouldn't it be great if we could see the next trend coming? Let us introduce you to Ratchet Clothing, one of the new ventures we've come across during our own retail talent-spotting activity...

A walk inside a Ratchet Clothing store will tell you it's a modern street fashion brand which knows where it's heading. Its unique tie-dyed t-shirts, hoodies and bags are smart, original, instantly appealing and bought by a surprisingly wide demographic – a demographic, moreover, which also happens to take in the likes of pop star Miley Cyrus.

But when you consider that Ratchet didn't even exist until three years ago you begin to realise that there's something special about its journey. That unique quality comes from its creative driving force, Dhillan Bhardwaj.

Born into an entrepreneurial family in Nottingham, Dhillan fell into fashion almost by accident. At college, it was obvious he was a creative talent straining to get out, turning out t-shirts in the family garage which won a cult following on Facebook.

He explains: *"I started by selling t-shirts to my friends and would get random people messaging me asking if they could buy the designs. As the orders started to increase I knew I had to make a decision to stop my education and I have never looked back."*

Dhillan's passion for fashion found its outlet in Ratchet Clothing, the brand he has invented, and his philosophy of *"being proud of who you are"* has struck a chord with customers.

It also struck a chord with Ben Tebbutt, of FHP's retail team, who in Dhillan and Ratchet talent-spotted a combination

likely to have broad appeal. The result was an introduction to shopping centre giant intu, a presence in the legendary Lakeside Centre, and an emerging strategy which could one day take in some of the major regional cities.

Owen Oxley, Ratchet's manager, is the first to acknowledge that the journey from entrepreneurial dream to emerging fashion brand has had its unnerving moments. But having FHP alongside it has made that meteoric rise seem much more comfortable, he says.

*"To be considered for going into a shopping centre was almost one of those pinch yourself moments,"* he said. *"FHP held our hand throughout the whole process. They were clear about their ambitions for us right from the start and they came good on them. intu, of course, had done this kind of thing a thousand times but everything was very new to us. Having FHP alongside made it all a lot more comfortable."*



# MOVING FORWARD

## NOTHING STAYS THE SAME

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**ITS AFFLUENT AND SOPHISTICATED DEMOGRAPHIC WOULD HAVE AN APPETITE FOR UPMARKET BRANDS.**

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**THE MARKET NOW MOVES VERY FAST INDEED.**

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**CÔTE  
BRASSERIE**



If a retail or leisure concept doesn't evolve, it won't last. We are now in a fast-churn, high-speed, technologically-driven world, one where fashion trends can change mid-season, where social media can drive instant crazes, where what happens on one side of the world one day plays out on the other side the next. Radical change can happen overnight.

One of the biggest challenges businesses and the economy face is how quickly they can respond to these changes – and that has obvious implications for our planners and politicians, suggesting we need policies which are flexible enough to enable Nottingham to move with the times.

Look at suburbs like West Bridgford. Our experience at FHP told us some years ago that its affluent and sophisticated demographic would have an appetite for upmarket brands which enabled them to enjoy high quality retail and leisure experiences without having to spend valuable time travelling. The result is a thriving café, bar and restaurant culture underpinned by names which even some cities don't have.

To this day, some voices suggest they should be kept out, that the borough council should hold back the natural operation of the market and help local businesses instead. The footfall West Bridgford town centre now attracts tells its own story: local businesses have, in fact, directly benefited because there are now more people around – many of them coming in from outside.

As retail and leisure specialists who have been advising national, regional and local brands for more 25 years, our experience tells us that the market now moves very fast indeed. Towns and cities which don't enable that to happen will get left behind. And once decline sets in it is not easy to recover.

## NOTTINGHAM - THE FUTURE STARTS NOW

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# NOTTINGHAM IS ALREADY INTO ITS NEXT ERA AS A RETAIL AND LEISURE DESTINATION OF NATIONAL STANDING.

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Did we mention retail vacancy rates? No. Then again, why would we? The problem was never as bad as some surveys would have had you believe, and the market – as usual – generated its own solution.

As we've outlined before, reports of the death of the high street have been greatly exaggerated. Yes, some towns have yet to evolve and find a new way forward, but Nottingham is already into its next era as a retail and leisure destination of national standing.

There is more that can be done in terms of supporting the city's status as a visitor destination, and the plans to transform Nottingham Castle can't come soon enough. We'd love to see more events in the Old Market Square, more high quality street theatre. But the city is moving forwards again now.

## £2.8 BILLION RETAIL SPEND PER ANNUM

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*UK's 5th biggest retail destination*

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SHOPPERS CATCHMENT OF 3.8 MILLION PEOPLE



*In the words of fashion entrepreneur Tom Joules, Nottingham is "the perfect place to be" for retailers*



Made in Nottingham

*If you want to know how FHP can help you, give us a call.*



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