



RETAIL OPPORTUNITIES ON RAILWAY STATIONS

A PROBLEM RESOLVED





RETAIL OPPORTUNITIES ON RAILWAY STATIONS

Rail Estate's unique platform advertises indoor & outdoor retail opportunities that are available on UK railway stations



01

What's the problem?



01. What's the problem?

A Problem

We have worked closely with our partners in rail to resolve a very real problem that faces all station operators. It is an issue that has been around for some years but one recently brought into sharp focus by the pandemic.

The problem facing all TOC's is their capacity to find new tenants to fill retail properties on stations.

It's a situation that has been exacerbated by the significant reduction in passenger numbers and the perilous station retail trading conditions. With fewer passengers and fixed long-term rents, the impact of Covid-19 on station retailing will be far reaching and the rail landscape is inevitably going to change. Importantly the speed of change will be swift. A look towards the high street and shopping centres demonstrates that rail will not be insulated from structural change, for Network Rail, TOC landlords, station tenants and the rail passenger experience.

[The problem facing all TOC's is their capacity to find new tenants to fill retail properties on stations]



A look towards the high street and shopping centres demonstrates that rail will not be insulated from structural change

01. What's the problem?



Why do we need the solution now?

It has been known for some time that it has been frustratingly difficult to find a sufficient volume of high-quality tenants to occupy retail units across UK railway stations. There never quite seems to be enough enquiries from potential tenants with new interesting retail ideas. TOC's need tenants that are prepared to pay realistic commercial rents to move onto railway stations. There is also a very slow gestation period with enquiry to occupancy stages typically taking an average of 5 - 9 months.

Traditionally this task has often been left to internal departments or 'Property Management Companies' to provide. However, their primary focus today is on the retention and management of existing tenants. They are overwhelmed providing support for existing tenants, as TOC's negotiate flexible arrangements and changes to long-term leases during the pandemic.

Previous focus on tenant retention

This previous focus on tenant retention has often proved to be at the expense of building a sustainable pipeline of new tenants for TOC's. This was highlighted sharply when Covid-19 impacted station retailing. Some tenant outlets became vacant as a consequence of National Lockdowns and tier restrictions. So now more than ever, TOC's need to attract new tenants into the sector. This predicament accelerates the need to regularly attract a sustainable volume of potential tenants.



02

What does our
solution look like?

2020 has brought a focus on outdoor opportunities that has seen many tenants look to adapt their models and provide coffee, street food, markets and more



02. What does our solution look like?



Our Solution for rail

- ⊕ A speedy, efficient and comprehensive method of finding and **matching** potential new tenants to existing empty retail spaces.
- ⊕ Builds out a **sustainable** monthly **pipeline** of potential new tenants that are willing to take on units that are currently vacant or likely to become vacant if surrendered in the aftermath of Covid-19.
- ⊕ Delivers a diverse range of retail offerings, from enthusiastic **new entrants** to the sector and maximises opportunities both indoor and outdoor at stations.
- ⊕ **Reduces** the average lead time from 'initial tenant enquiry' to 'occupancy' from 5-9 months (TOC average) to less than 3 months.
- ⊕ **Newly** vacated units are uploaded within 24 hours
- ⊕ **Enhances** the station customer experience by **filling** vacant station space quickly with compelling retail offerings.
- ⊕ **Generates** direct **cost saving** for TOC's:
 - ⊕ **Removes** liability and cost for Local Authority Rates charged on empty retail units. Typical average rates in rail is £5,400
 - ⊕ **No** commissions payable
- ⊕ **Generates** appropriate commercial rental income and requires only a **small input** from a TOC, allowing their teams to focus on retention and asset management.
- ⊕ A **transparent** commercial model based on a monthly subscription to the Rail Estate Search platform. There are no additional sales commissions.



03

How does it work?

Attracting a wide range of new specialist retailers who are agile and are adapting to the changing landscape within stations

03. How does it work?

✓ Matching Tenants to Vacant Spaces

Rail Estate Search is a comprehensive and up-to-date website of railway stations and retail opportunities.

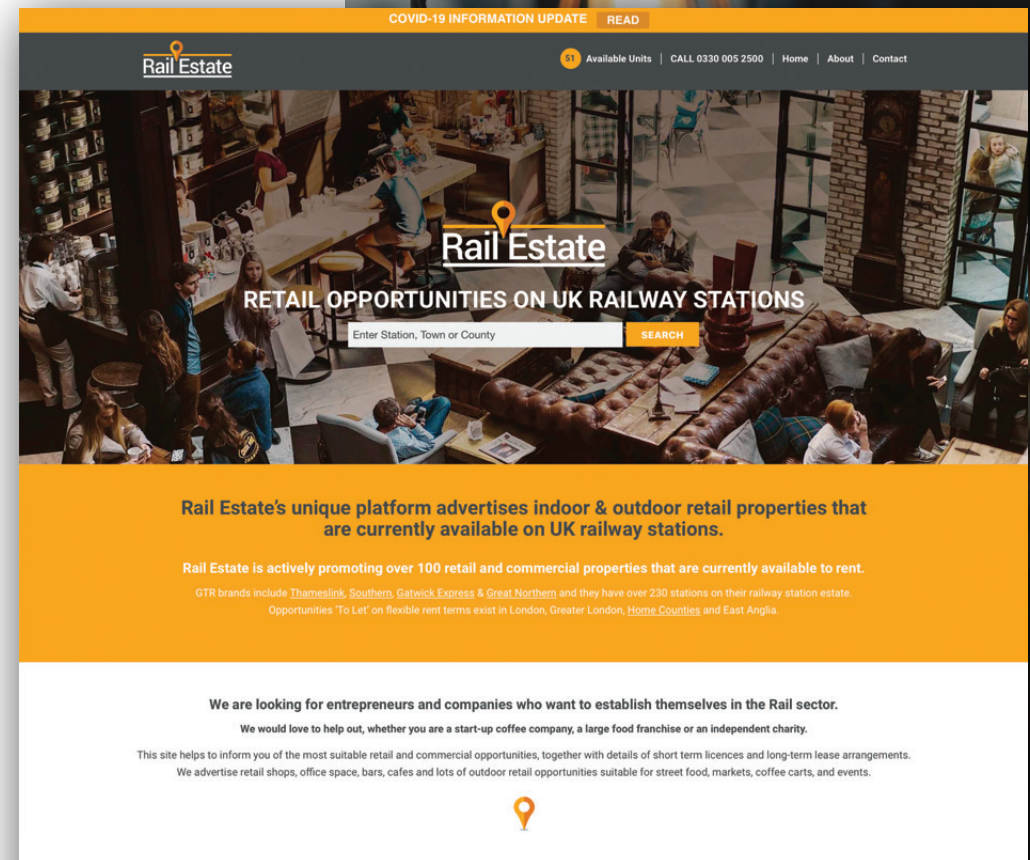
It is an engaging & informative website solution that matches 'Potential Tenants' to relevant retail spaces on specific TOC railway stations.

Station properties are listed as indoor & concourse retail units together with outdoor retail opportunities. Many stations also have retail opportunities available in their outside spaces and car park areas.

✓ Competitive Tension

The previous lack of focus on finding new tenants meant that there was usually very little competition for retail space. Typically, only one tenant was put forward for a specific retail unit and then only at a price they could afford. This led to a limited selection of retail offers directly impacting the customer experience.

The lack of competition for units has also made it difficult for the TOC to achieve the best rental yield. There is no competitive tension if only one tenant is put forwards for a retail space.



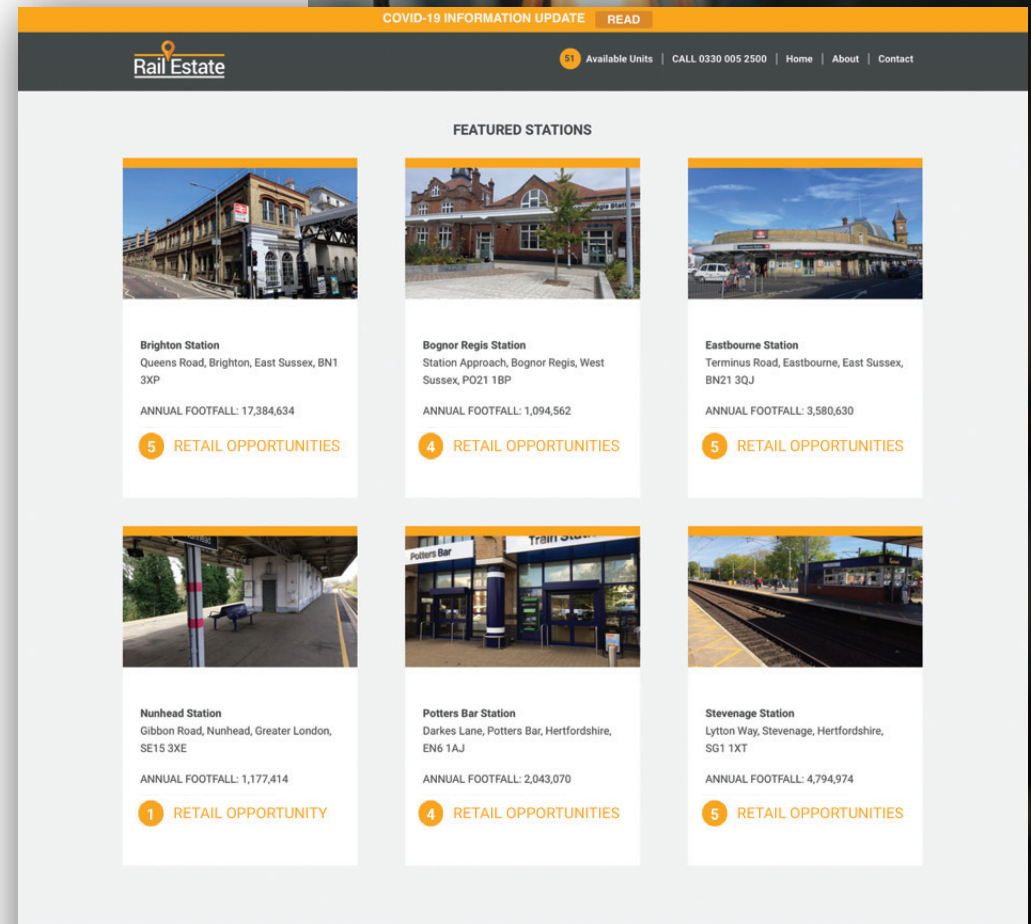
03. How does it work?

✓ Detailed Station Database for each TOC

Our comprehensive and bespoke database developed for each individual TOC includes every single station. This enables a 'potential tenant' to make an informed choice about which station and which unit is best suited to them. This key station data is updated quarterly and is sector leading.

Each Station has a minimum of 50 data fields together with images, station maps and Google Map Locations:

- ⊕ **Station passenger footfall volumes**
- ⊕ **Accessibility & mobility access**
- ⊕ **Retail space availability**
- ⊕ **Floor plans of available units**
- ⊕ **Categories of use for available units**
- ⊕ **Local Authority**
- ⊕ **What3Words** - A new and innovative way of sharing your location with 3 simple words
- ⊕ **Occupied units & retail type**



04

How well does it
work in rail?

*Advertising indoor and
outdoor retail
opportunities can often
grow the diversity and
revenue that can be
generated from a station
portfolio*

04. How well does it work in rail?

A new solution for rail

With a proven track record of unbeatable results and a **tenfold ROI**, it is widely believed to be the leading property website in the sector. Its' hybrid model of Digital & Traditional marketing methods generates significant volumes of 'Potential Tenants', for TOC's, each and every month.

This unique matching solution has been proven to find and engage with potential tenants, supporting them along a structured pathway to rent suitable retail spaces on UK Railway Stations.

It advertises properties that can be used for a wide range of services; retail shops, units, office space, bars, cafes, kiosks & carts, e-commerce, storage & warehousing, amongst many others.

It promotes many outside spaces which may be suitable for street food, markets, coffee carts, exhibitions and events. Outside spaces have become more popular during the pandemic with the social distancing restrictions that have been imposed.



05. Benefits



Rail Estate Search

- ⊕ **Generates** rental income for empty retail units and monetises under-utilised outside space at stations
- ⊕ Provides TOC's with direct **cost savings** because they no longer have to pay Local Authority Rates on vacant units
- ⊕ Delivers a substantial **volume** of potential tenant enquiries every month
- ⊕ Website successfully **attracts** potential tenants and **matches** them to vacant station units
- ⊕ **Professional** team who initially speak to screen enquirers and then follow up with a detailed call to assess their capability and needs
- ⊕ **Multiple** interest in vacant units ensures that there is competitive tension resulting in a **higher rental yield** for the TOC portfolio
- ⊕ Unsuccessful potential tenants at one station are then **recycled** and **rematched** to other retail opportunities across the estate
- ⊕ An advertising solution that requires only a **small input** from a TOC
- ⊕ A **transparent** commercial model based on a **monthly subscription** to the Rail Estate Search platform. There are no additional sales commissions



06. Commercials & Results

Achievements and Return On Investment

A TOC using Rail Estate Search over six months in 2020 achieved:

- ✓ **200+** enquiries to rent retail space
- ✓ **60+** separate stations received enquiries for retail
- ✓ **40+** different categories of retail
- ✓ **30+** individuals enquired about multiple retail opportunities
- ✓ **26+** enquirers have negotiated Head's of Terms for retail units (indoor & outdoor)
- ✓ **5** potential new tenants in progress (agreement in principle)
- ✓ **£100k+ cost savings** realised from annual Local Authority Rate charges

[This case study continues to
deliver upwards of 10:1 ROI]



Next Steps

If you would like to know more about our solution, case studies and client testimonials then please contact Rail Estate Search at info@railestatesearch.co.uk or call us on 0330 005 2500

 **Rail Estate**

0330 005 2500

info@railestatesearch.co.uk

www.railestatesearch.co.uk