

# Street appeal



Simon Fonteyn

**WITH A WAIT-LIST OF RETAILERS KEEN TO SECURE A SPOT ON OXFORD STREET IN THE INNER-CITY SYDNEY SUBURB OF PADDINGTON, LEASING INFORMATION SERVICES DIRECTOR SIMON FONTEYN REVEALS HIS INSIDER'S KNOWLEDGE.**

## What appeal does Oxford Street, Paddington hold for retailers?

Generally, retail space availability on Oxford Street is really tight. It is not a big strip. If you take out the Darlinghurst end of it, it is only about 60 to 70 shops. With [nearby] Westfield Bondi Junction doing so well, not many people can afford to get into Bondi Junction. Also, new players want to set up flagship stores and we get a lot of enquiries from companies, both international and local, that want an Oxford Street presence. We have had enquiries from a top New Zealand fashion house that will be coming here soon and we are scouting a site. And another site for a retailer who wants to sell top line jewellery.

## How much space is currently available?

There are very few vacancies on the northern side of Oxford Street. The northern side is the opposite side to the Paddington Saturday markets. At last count [earlier this month] there were only four vacancies on the northern side, of which one has since been leased. This count excludes shops that are either being redeveloped or leased on a temporary basis.

On the southern side, the market side, it is also tight, with a couple of vacancies at the moment, but the prices are a little different on the southern side. They are a little cheaper.

If you look at the retailers who are there, a number of them have a small portfolio of stores. They are not multi-chain. For example Wayne Cooper and Kate Sylvester are boutique and specialist. They don't necessarily need footsteps; they are destination shops.

Retail rents on the strip are surpassing the food outlet rents – it used to be that there were quite a few food shops there. Food stores can't pay the freight that retail can. Food is not as strong on Oxford Street as fashion. People don't go there to eat. Some of the stores that are vacant were food shops. The reason that they haven't been leased is because there is a process to get them converted to retail.

What you have to do is go to council, get the grease traps removed etc.

## Where are the prime retail sections along the road?

The strongest precinct, the one that is most in demand, is pretty much the 800 to 1000 metres that directly faces Paddington market. Once you go past Jersey Road down towards Queen Street, it starts to level off. People congregate around that market area and just walk around there.

Oxford Street is really only a week-end trade, as during the week it doesn't get much business. Even the big names are struggling [located past] Jersey Road. [However] even if it is a Saturday/Sunday trade, a lot of retailers can make enough money if it is in the right spot.

## How much does it cost to lease space?

There is a deal we have just done [in the prime precinct] which was \$130,000 a year gross for 65 to 70 square metres. It is around the \$1800 mark per metre gross for a super prime spot in that super prime zone.

Then if you go out towards the Queen Street end, there is currently a shop at the moment for lease; it is a very nice shop that is only tiny. It is 40 square metres and they are asking around \$69,000 gross per year – so that's over \$1500 per square metre gross for a small shop. On the southern side of the road it is about \$1000 to \$1200 per square metre gross per year.

## What about nearby precincts?

The new six store complex on Oxford Street down near Glenmore Road is all leased out. Examples of lease prices: for the 86 square metre store, \$110,000 a year gross, or for the smaller 50 square metre store, \$75,000 a year gross. ■

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## Personal perspective

**PINK ZEBRA FOUNDER SARAH PAYKEL HAS BEEN TRADING IN OXFORD STREET, PADDINGTON SINCE 2006. ASSIA BENMEDJDOUB GETS HER VIEWPOINT.**

### Where is the Pink Zebra flagship store located?

380 Oxford Street, Paddington, NSW.

### How long has the store been operating there?

We opened there in February 2006, so we have been trading for four-and-a-half years now.

### What are some of the major changes you've noticed since opening in Oxford Street?

There always seem to be retailers moving in and out, but at the same time there are many long-term retailers like Opus (gifts), Paddington Fresh (food), Robby Ingham and General Pants who are constant drawcards. Of course Westfield Bondi Junction was a new shopping development that had an impact on the strip, but that has been open since before Pink Zebra started in Paddington.

### What is the benefit of having a store there?

Oxford Street is well known as a fashion destination so it has a wide catchment of visitors. Our customer base is a nice mix of locals from the eastern suburbs, from wider Sydney on the weekends and we see many tourists as well. I believe many hotel concierges point their overseas visitors to Oxford Street, if they are looking for a fashion shopping excursion. The weekend markets continue to be a drawcard to customers from all areas.

### What are some of the challenges?

Parking has always been tight in Paddington, but if you look hard enough you will find a spot! We have many locals that come to Paddington by foot too, and buses bring those from further afield.

### What are some of the fashion retailers located there?

Jigsaw, Diesel, Robby Ingham, Witchery, Incu, Fleur Wood, and of course William St is nearby which has a nice array of boutiques.

### Is it a competitive area?

Paddington has a mix of national chains alongside independent boutiques, so there is a wide range for customers to choose from.

### Where do you see the future growth prospects for Oxford St?

I think that strip shopping is always a nice alternative to a big shopping centre experience. We have lots of customers commenting how much easier it is to shop along the street than going to a busy shopping centre. The strip offers a unique 'neighbourhood' experience, rather than the more generic shopping centre offer, so that provides a reason for people to come to Oxford St. Being in a high socioeconomic area, I think there is enough demand to support both the strips and shopping centre.