



## Leasing Information Services Newsletter

April 2007 No. 3

### Welcome

By Simon Fonteyn - Managing Director

LIS has enjoyed another strong quarter of both customer and data growth, with the addition of approximately 25 new customers, twelve new centres and 1,050 fresh new leases (not renewals). We have also introduced a number of new features including:

- the integration of the product with Google© Maps
- a news feed from *Inside Retailing*
- a comprehensive upgrade to the 'User Documentation', which can now be accessed from the following web address:

[http://www.leaseinfo.com.au/docs/LIS\\_User\\_Documentation.pdf](http://www.leaseinfo.com.au/docs/LIS_User_Documentation.pdf)

In the coming quarter, we are planning some very exciting developments including :

- Data sharing with a leading tenant advocate in Victoria to provide rental data at an average level in that State
- Upgrade to the Centre Analysis Tool to provide more comprehensive data analysis on categories within centres and between centres
- Upgrade to 'My Portfolio' to allow show the total occupancy costs (rent, outgoings, promo levy), download to Excel and printing.

### Did you know?

- LIS has over 15,000 leases on the database, which grows at 4,000 leases per annum
- LIS has over 200 users
- LIS has partial or full coverage on 137 Centres, 47 strips and 11 Bulky Goods/ DFOs
- LIS now has demographic data on over 100 centres
- LIS has an online lease management tool called 'My Portfolio'. For more information on how 'My Portfolio' can assist you, click on the 'User Documentation' link above to get an idea of how this tool could assist you.

## LIS – Queensland: By John Silingardi

LIS has engaged John Silingardi as our new QLD distributor. John lives at Palm Beach on the Gold Coast and travels to Brisbane regularly to meet with clients. John is a licenced commercial and residential real estate agent.

“My first priority with LIS in Queensland is to increase brand awareness of the product and ensure that representation is increased. We are currently working with Government and the media to improve market knowledge of the product”

John can be contacted on:

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## LIS Media Strategy

LIS has engaged the services of a public relations and marketing company, MINT PR, to increase awareness and media coverage for LIS. LIS will be reporting to the media about what is really going on in the property industry in terms of leases and rents. Some clients will be contacted to see if they are interested in getting involved with press releases or providing comments for journalists. MINT PR will be organising media interviews, preparing press releases and articles. Keep an eye out for the coverage.

## LIS – Customer Referral Programme

**By Monique Haylen of MINT PR**

Many new LIS customers are coming from referrals from you, our existing subscribers. To thank you for referring clients to us we are introducing a customer referral program. Effective 15<sup>th</sup> April, we will be tracking **client referrals**. To express our appreciation for your referrals we will offer you the choice of:

- A case of the boutique Lucky Beer or,
- A selection of wine to the value \$50 from Vintage Cellars, or
- (4) Movie Tickets

This will apply to every referral that signs up with LIS.

For more information on any of these points please contact Petra on (02) 8354 0211 or [petra@leaseinfo.com.au](mailto:petra@leaseinfo.com.au)

## Leaders in the Industry – Andrew Nock

**National Property Manager – GAZAL GROUP**

**How did you get into the retail property industry?**

I was born and bred in retail, as our family owned and ran Nock & Kirby a hardware chain store. From the age of 14 years old I would work every holiday in our George Street store. We owned a number of our own properties at the time and I particularly liked to be involved in property deals. After leaving school I went to NSW University and studied Economics. Nock and Kirby was subsequently sold to BBC.

I then started my own business; a chain of retail stores across Sydney and grew the business steadily for the next 10 years. I enjoyed dealing with property matters. I then felt it was time to move into the corporate world. So I sold my retail business and joined up with Angus and Coote. I started in the service department and worked my way up to a senior regional manager and later a buyer for the group. Subsequently I have worked in senior positions for Gemtec Australia and Prouds The Jeweller. When at Prouds my role was primarily involved with developing the retail business and opening a lot of new stores across the country. Overall I have had experience in Operational Management and Property Management.

**What is the biggest issue facing property retailer manager's at the moment?**

The biggest issue retail Managers face today is increasing occupancy costs. The majority of centres are only interested in one thing, profit. Many don't care if retailers are suffering because in most cases they have another retailer ready to move in.

Most centres don't give enough consideration to the number of complementary retailers in their tenancy mix. This adds pressure to competition and reduces the number of pieces in the overall category pie.

Ownership of centres are predominantly become assets of investment and superannuation funds. The funds have industry expected returns adding pressure on tenant occupancy costs.

**Where is your favourite place to shop?**

My favourite place to shop in Sydney is Bondi Junction Westfield. While the parking is a nightmare the variety of shopping can't be found in any other centre in Sydney. When in Melbourne nothing beats the hype of Chapel Street.

**How do you see the retail sector performing over the next twelve months?**

I believe it will be a reasonable twelve months. The retailers that saw growth last year will continue to grow. The retailers that were stagnant over the last 12months will have to work differently if they are going to perform this year. The larger National chains will see the greatest growth with consolidation and rationalization. These chains are now looking at individual store performance where years ago they were more interested in branding and competition. Years ago brands had to have a presence in certain centres because they were focused on image, or they would open stores in centres to keep their competition out. Today there is more focus on individual store performance and accountability. Individual stores need to make a profit for the group.

**What legislative amendments would you like to see, to improve the retail shopping centre industry from a tenant's perspective?**

I would like to see a stricter control on lease registrations on a National basis. I believe rental information should be more readily available so that perspective tenants can make a well-informed decision as to specific market rental. This also helps with rent reviews reducing landlord's ability to push occupancy costs well above the current market. This would allow for a more open and honest relationship between Landlords and Tenants, after all they need each other to be successful.

## LIS GOOGLE<sup>®</sup> MAPS

The latest enhancement to the website for users this month is **'Centre Mapping'** which is located in the 'Centre Data' Tab or within the lease reports if it is hyperlinked. This new enhancement links a specific shopping centre or strip to a 'Google<sup>®</sup> map'.

Click on the drop down to select a shopping centre or strip then **'Search'**. The electronic street map pinpoints the shopping centre or strip location. There are two further **view** options:

- **Satellite** view
- **Hybrid** view which gives a satellite view with street names

Located at the top left of the map view are arrows which allow you to navigate a map view further north, south, east or west. '+' and '-' buttons are also located here which enables you to zoom in or out of the view.

All users should click on 'terms and conditions of use of the Google<sup>®</sup> maps' to ensure that the 'Google<sup>®</sup>' terms of use are strictly adhered to.

## MANAGING DISPUTES IN THE NSW RETAIL LEASING INDUSTRY

**By BK Carlsund – Registrar of Retail Tenancy Unit, NSW Government State and Regional Development**

The Retail Tenancy Unit provides a free information and advice service to people involved in retail leasing, and offers cost effective resolution processes to parties in dispute that allows them to reach agreement and avoid time consuming and expensive litigation.

In 2006 the Unit dealt with more disputes than ever before. Over 10,000 callers used our advice services and 351 applications were filed for the mediation of retail lease disputes. The top five issues brought for mediation were rent, condition of the premises, misrepresentation, termination and assignment of the lease. Over 60 percent of applications were filed by tenants. The majority of applications filed by landlords related to the recovery of rent and termination of the lease.

'Condition of the premises' mediations deal with damage that occurs to the premises, a lack of maintenance, or the tenant's responsibility to make good at the end of a lease.

Misrepresentation mediations generally relate to section 10 of the Retail Leases Act 1994, which provides compensation based on pre-lease misrepresentations. In the future, mediations relating to the new sub-sections 62C, D and E, which address misleading or deceptive conduct, will be captured in this category.

Mediations dealing with termination address the relationship between the parties when the lease has expired, and help them make decisions about how they will resolve outstanding issues that have arisen under the lease.

Assignment is still an area of much confusion for the retail leasing industry. Some tenants think the landlord must or should agree to any new proposed tenant, while some landlords think they have full discretion in determining which tenant will have possession of the premises. The process for assigning a lease is summarised on page two of the Appendix to the Lessor's Disclosure Statement, which can be downloaded from the page 'On Line Forms' at our website [www.retail.nsw.gov.au](http://www.retail.nsw.gov.au).

Tenants, landlords and advisors to the industry are invited to discuss any concerns and questions with the Unit by ringing 1300 795 534, emailing [RTU@business.nsw.gov.au](mailto:RTU@business.nsw.gov.au) or visiting our website.

## Tips and Traps in Negotiating Your Lease

By Ange Kondos Managing Director - Leasewise

Retail Leasing is a specialist area this company has been practicing in since 1998. The area of expertise usually relates to information of comparable rents and Leasewise in conjunction with LIS have the most extensive national databases that comprise rents, key demographic information and performance data. In each case one must assume that the leasing agent has the advantage, given that they process hundreds of renewals on a monthly basis whereas most retailers are not exposed to the process on such a regular basis. Conversely most leasing agents will refer to information that is in a format to suite the Lessor's position only.

Many leasing agents for large shopping centres will also say 'these are the commercial terms and policy and are non-negotiable, in the best dead-pan face they can manage. Our vast experience and results have proven that everything is negotiable and at the point of negotiation the dye is cast for a successful, mediocre or unsuccessful business.

In our experience retailers achieve the best possible outcomes when they remove their emotional attachment to a business and outsource the representation of their commercial interest to an Advocate charged with delivering a sustainable occupancy cost.

The Leasewise Group offer a complete representation service for retailers that range from 'mum and dad' single store owners to multi-site Franchise systems. Our philosophy is quite simple, each category we represent have experts in their field or category and we are experts in the negotiation of commercial terms in retail leasing. Ange can be contacted on [ange@leasewise.com.au](mailto:ange@leasewise.com.au) or 1300 33 44 32.

## Joke of the Month – Landlord Problems?

A group of American tourists were being guided through an ancient castle in Europe. "This place," the guide told them, "is 600 years old. Not a stone in it has been touched, nothing altered, nothing replaced in all those years." "Well," said one woman dryly, "they must have the same landlord I have."

## More Info?

If you would like more information about any topic in this newsletter or need assistance with the system , please call us on (02) 8354-0211 or email [enquiries@leaseinfo.com.au](mailto:enquiries@leaseinfo.com.au)

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