

# Retail in Stations

Information pack

A grayscale photograph of a modern railway station interior. The ceiling is a complex, ribbed structure with recessed lighting. In the foreground, there are people walking. In the background, there are escalators, a platform sign for "Platform 15", and various station infrastructure.

Property  
**RETAIL**

## Retail in Network Rail Managed Stations

Our team manage retail in **19** of the 'highest profile' stations in the UK

Birmingham New Street	Bristol Temple Meads	Clapham Junction
Edinburgh Waverly	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 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!

# Station Retail Trading

## Minimum requirements to trade in our stations

- Two trading units of the same type of business you propose to trade at in the stations
- If you do not have two trading units please see '*Alternative Options*' at the end of this document

## What we look for in our retailers

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



## How does leasing in stations work?



The **Portfolio Manager and 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 in question.



## Types of units

### Inline units

Units that are built into the station, usually on the perimeter and are flush to the station concourse. They greatly vary in size (anything from 65sqft - 20,000sqft).

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.



## Types of units

**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).

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



**Permanent static kiosks:** 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.

### Short Term Lease

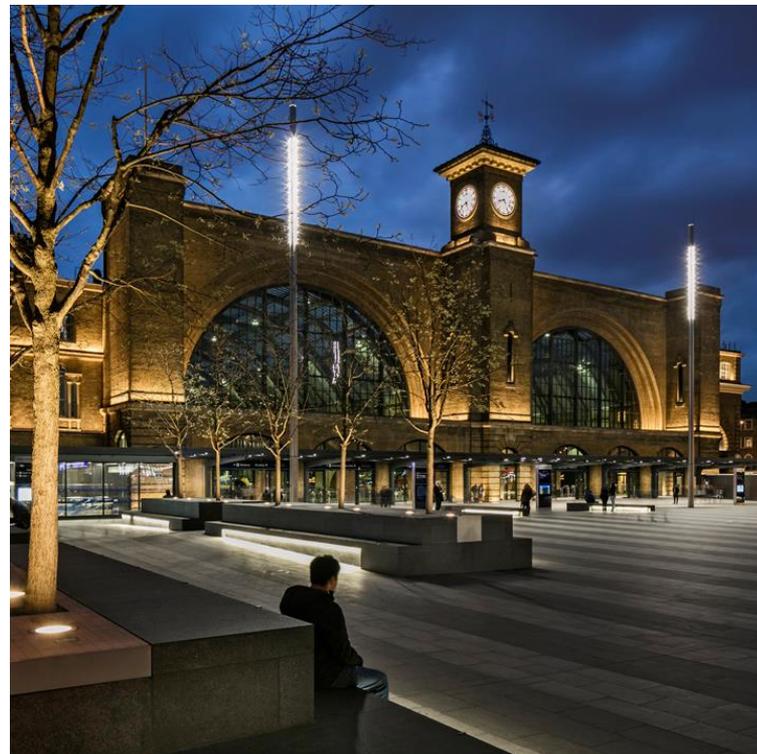
A maximum of 3 years, with the length of lease and payment being decided on a case by case basis. Availability is limited.

### 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.

### Assigning a lease

A tenant cannot assign a lease to another business.



## Types of lease



### 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
- Annual turnover
- Size of operation
- The number of existing trading units
- Access to capital

As a preliminary step, please provide the following information to [retail@networkrail.co.uk](mailto:retail@networkrail.co.uk)

A brief summary of your business	Concept including menu or product range
Weblink and photos of your business	Size of unit required – min and max sqft
Locations of existing units	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

# The Application Process

## 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

Opportunities may be available for retailers who have less than two trading shops/units at the following:

- For leasing a unit outside Network Rail Managed stations, for 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](http://property.networkrail.co.uk)
- Stations not managed by Network Rail may have different criteria for trading – contact details for the Train Operating Companies that manage the other stations, can be located on the National Rail Enquiries website under the “stations” tab. [nationalrail.co.uk](http://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](mailto:Jonathan.Watson@highspeed1.co.uk).

**Thank you for your interest in retail at  
Network Rail; we wish you every success  
with your business.**