

Retail: a tale of two markets

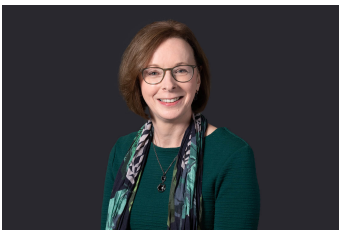
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Ann Summers is the latest retailer to have entered into new voluntary deals with the majority of their landlords, rather than using the CVA process. It is clear to us that retailers are currently operating in at least two different markets. Whilst we can understand the pain for landlords/ investors, it is easy to sympathise with those retailers who are still paying what they agreed to pay but are only too aware of competitors (often in the same schemes) operating under what they see as much more favourable conditions. Whatever the reasons are for the disparity, this situation becomes even more acute at rent review time where the upwards only rent reviews are bearing little relation to reality. In our experience as a retail legal team, and seeing it from both sides, it does pay to talk – and to keep talking...

What this means for our retailer clients is that they shouldn't shy away from making their landlords come to the negotiating table. Some of them seem to be suffering in silence whilst the more proactive ones are seeing real progress.

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