

# TOP 10 STRATEGIES TO MAXIMISE RETAIL ASSET VALUE

In the current market, realising the full potential value of your asset is essential. High performing investors are focused on improving asset performance and asset utilisation by unlocking value and driving greater efficiency from their property. Creating added value around income generation, certainty and life cycle cost reduction is paramount.

Our top 10 strategies are helping our clients to beat the market:



### 1. Maximise ancillary income

The opportunities to generate ancillary income from retail assets are all too often overlooked. At times the asset is not matched to the consumer and the only focus is on rent roll. Essentially, all income should be managed as core, to ensure income sources are maximised and reflected in your asset yield. You can achieve up to 47% of ancillary budget income by reviewing and matching the asset to the consumer, producing evidence around customer habits and behaviours, driving margins and reducing yield discounts on income streams.



### 2. Leasing strategy to match sales conversion

Customer drivers should be aligned to your tenants and this data needs to inform your leasing plans. Sales data plans that display profitability indices for tenants, as well as access to metrics that identify cross sales and gross net occupancy costs and margin analysis, will impact the tenant's decision to occupy the space.



### 3. Create the right tenant mix

Utilise data on your asset to drive tenant sales and ultimately link your leasing strategy to your customer behaviours to achieve the optimum solution. Reviewing your current demand and capacity strategy through forensic analysis of sales and identifying opportunities for enhancement and underperforming tenants will generate new income streams.



### 4. Profile your competitors

It is imperative in the present climate that you know your competition as well as your own asset. Access to competitor information and assessment of performance will create opportunities to increase your local market share. We can provide you with competitor business planning, sales analysis and forecast the impact of competition re-engineering and developments.



### 5. Position your footfall profile

Understanding your footfall profile and positioning it to the asset, as well as identifying the real metric footfall or relevant footfall, will ensure you maximise sales performance and asset yield. We recommend strategies to identify and segment customer groups to drive sales growth, spot emerging trends to drive loyalty in target profiles, match the customer to sales to rent profile, and design modification impediments to maximise sales.

## Top 10 Strategies to maximise retail asset value

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### 6. An operational expenditure strategy

The operational spend is an essential part of the review to drive the right balance of expenditure and ensure savings are made where possible to create added value. Many retail assets do not have the right strategy or have no strategy at all in order to contribute to the net profit of the asset. The right management structure and management of your operational expenditure can reduce costs by 15 to 25%.



### 7. Position your asset for better outcomes

For a sale or an investment, it is imperative that your asset is best placed to realise the desired outcome. The asset strategy, whether it is leasing, management, design or commercial requirements, should align with the business plan to ensure the best outcome.



### 8. Maximise design and cost efficiencies

The market demands maximum sales performance and your asset must seek to maximise efficiencies of both cost and design. Analysis and benchmarking the design and operations will deliver optimum solutions. By identifying capital expenditure reductions and providing due diligence to reduce risk and highlight opportunities you can enhance value from the expenditure.



### 9. Create sustainable and future proof assets

A recent RICS study found that green office buildings in the US performed better during the economic downturn of 2008 and 2009 than their comparable non-green high quality property investments. It is apparent that long term value is essential in this market and a sustainable, flexible and quality asset will provide certainty of long term value. We can provide sustainable solutions to increase asset value, as well as keeping costs to a minimum.



### 10. Deliver at minimum cost with control and certainty

Certainty of delivery is a necessity for developers, lenders and investors alike. Following our top 10 tips will help you to beat the market and ensure your development maximises its full potential value.

For further information on how EC Harris can help you to beat the market and provide certainty of outcome, please contact:



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