LandSecurities

2015 INVESTOR CONFERENCE

Land Securities Retail

Scott Parsons

Managing Director, Retail Portfolio

Agenda

Scott Parsons – overview

Jat Sahota – customers and consumers

Polly Troughton – portfolio review

Scott Parsons – Bluewater

Q&A

Tour of Bluewater

Bluewater, Kent

Key themes

- Delivering strategy - Dominance, Experience and Convenience
- Best in class portfolio positioned to outperform
- Understanding the changing needs of retailers and consumers
- Industry leader in leisure and catering
- Decisive - risk aware not risk averse

St David's, Cardiff

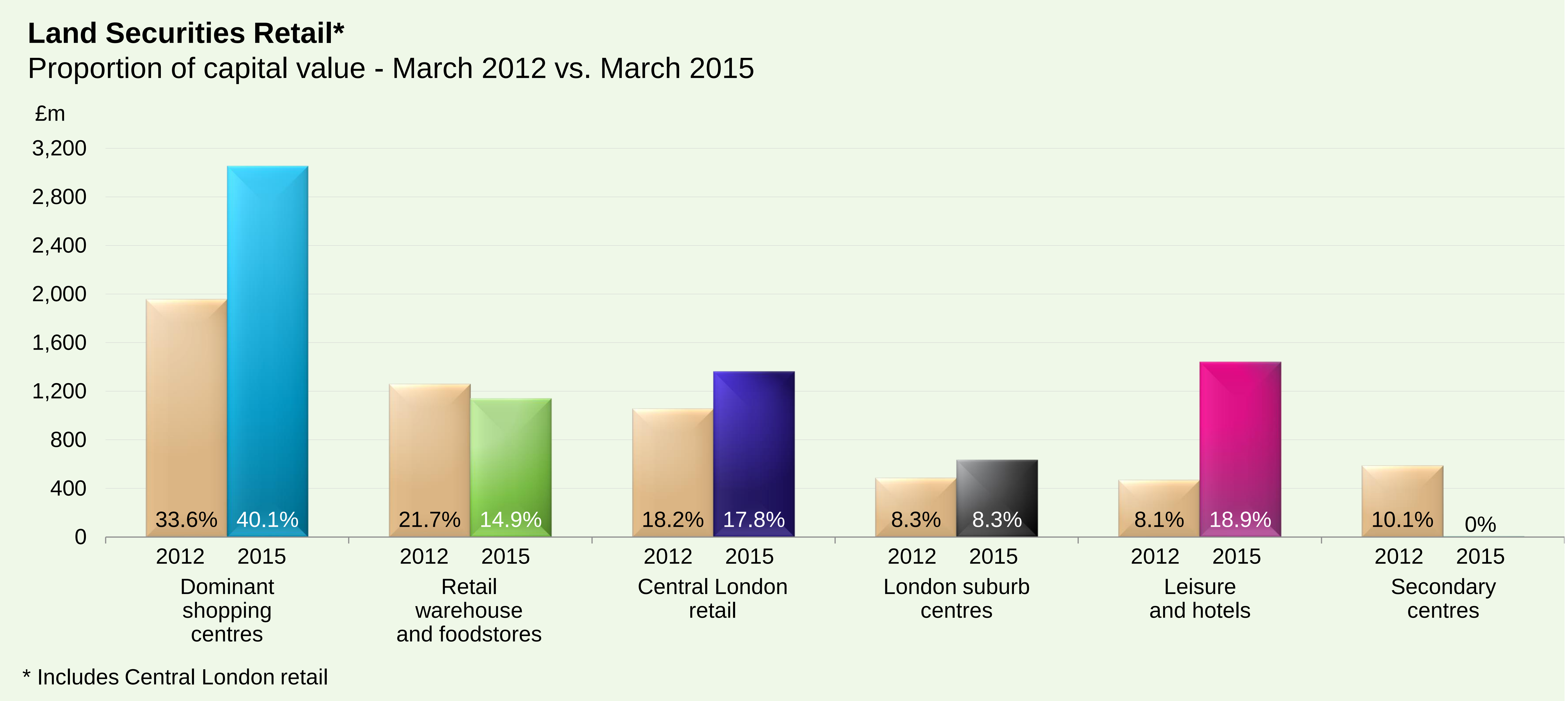
Tackling a challenging market

Increasing polarisation between winners and losers

Pace of change in customer and consumer requirements

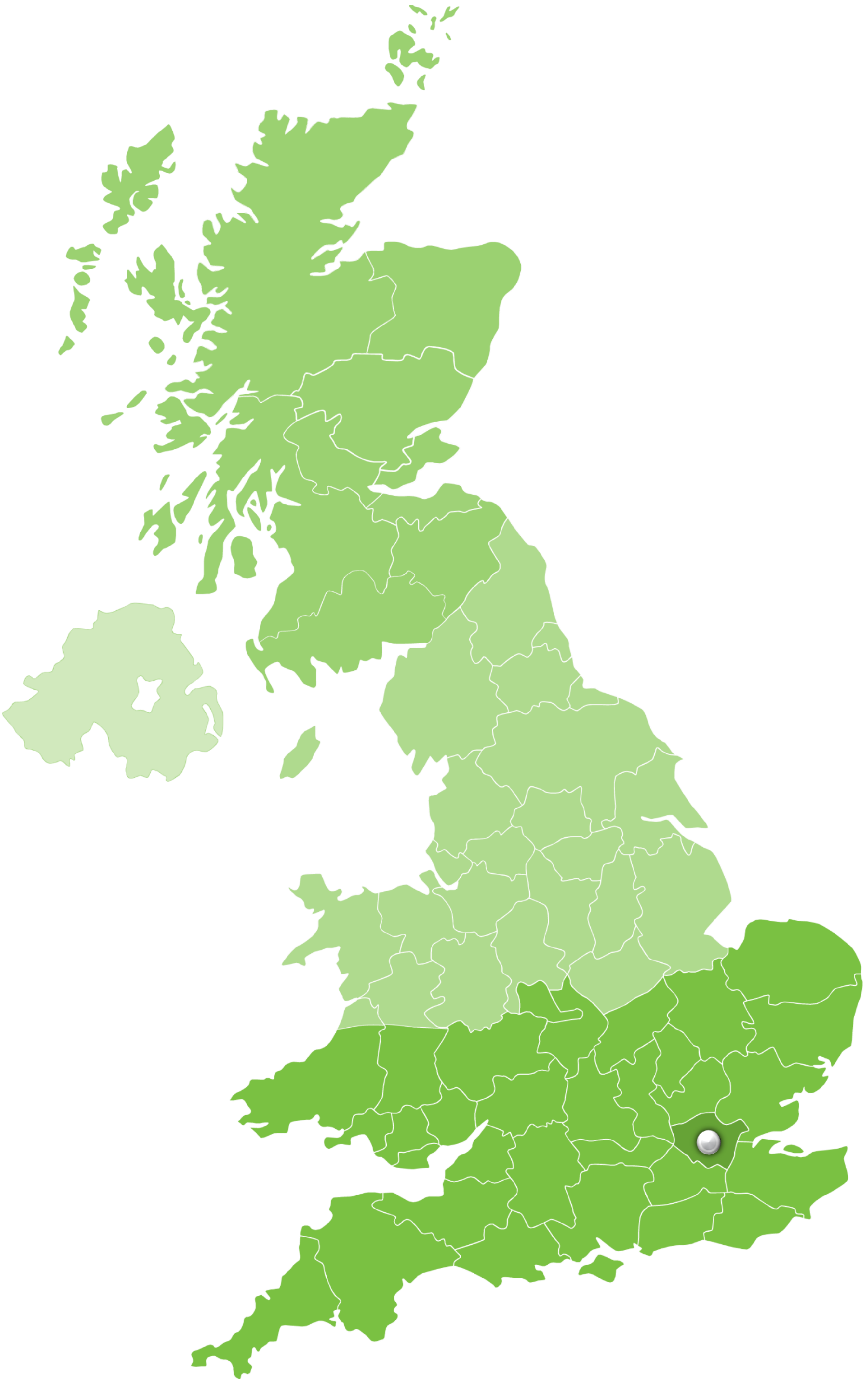
Rigorous asset management is critical

Seismic change

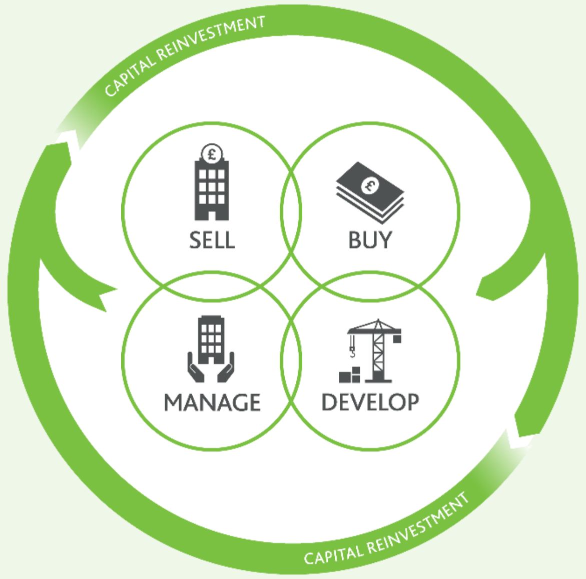


The right space in the right place...

Scotland		£0.7bn
Northern		£1.8bn
Southern		£5.1bn
Southern region	*£2.6bn*	
Suburban London	*£1.1bn*	
Central London	*£1.4bn*	
Total		**£7.6bn**



Decisive capital allocation



- Secondary asset sales
- Investing in dominance
  - Leisure
  - Bluewater
  - Development
  - Asset enhancement

The Bridges, Sunderland

Bluewater, Kent

Fountain Park, Edinburgh

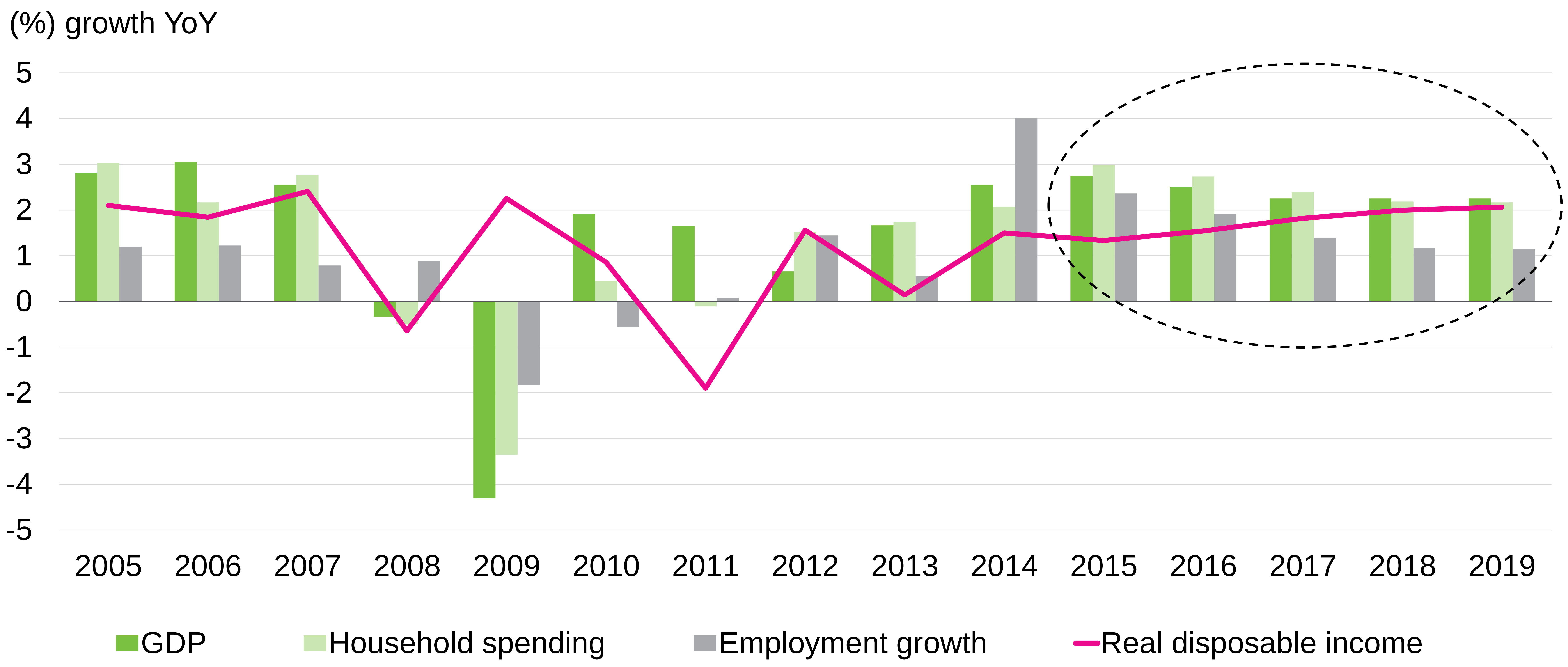
Westgate, Oxford

Land Securities Retail

Jat Sahota

Head of Commercial, Retail

Disposable income – the engine of retail growth



Source: PMA

Changes in consumer behaviour…

The considered consumer

kelkoo
Ciao!
reevoo
PriceRunner
Google

Researchers and influencers

The store is still king

…continue to drive structural change in retail

The right space in the right place...

Bluewater, Kent

Trinity, Leeds

Bishop Centre, Taplow

White Rose, Leeds

…can dominate the catchment

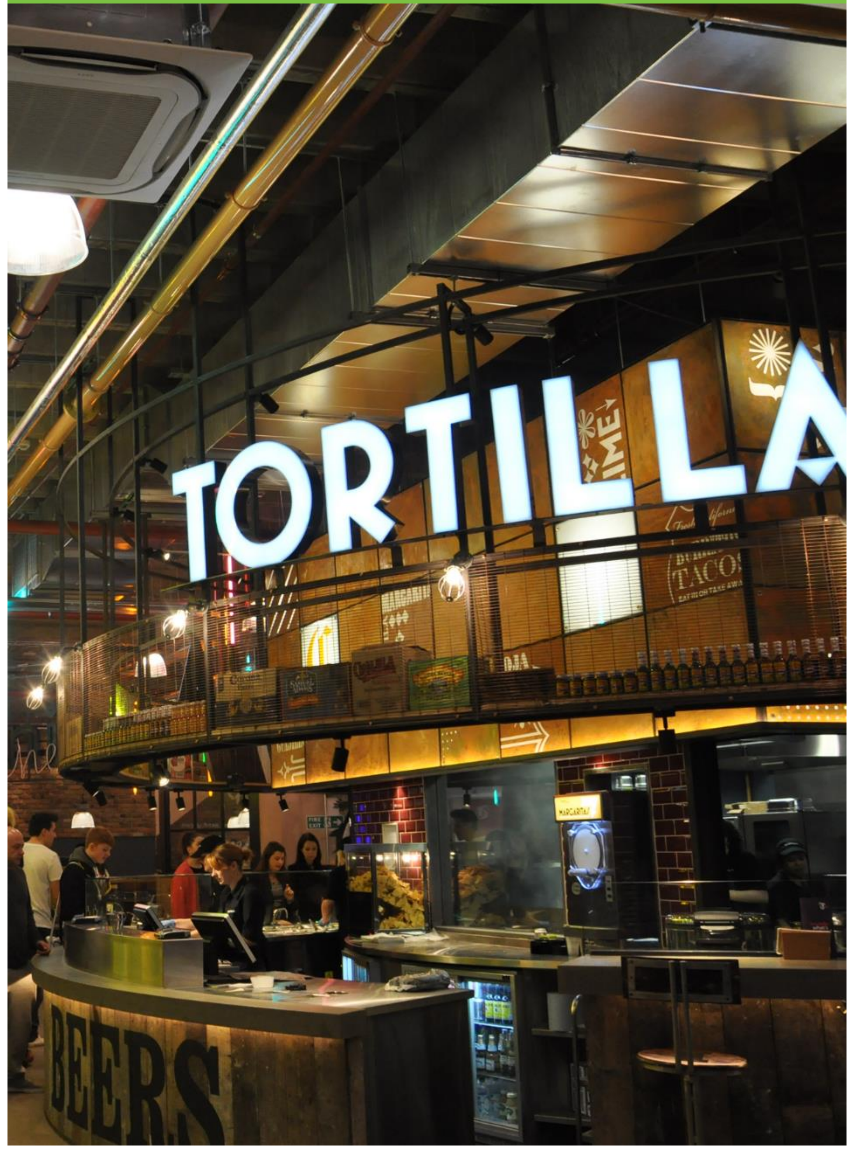
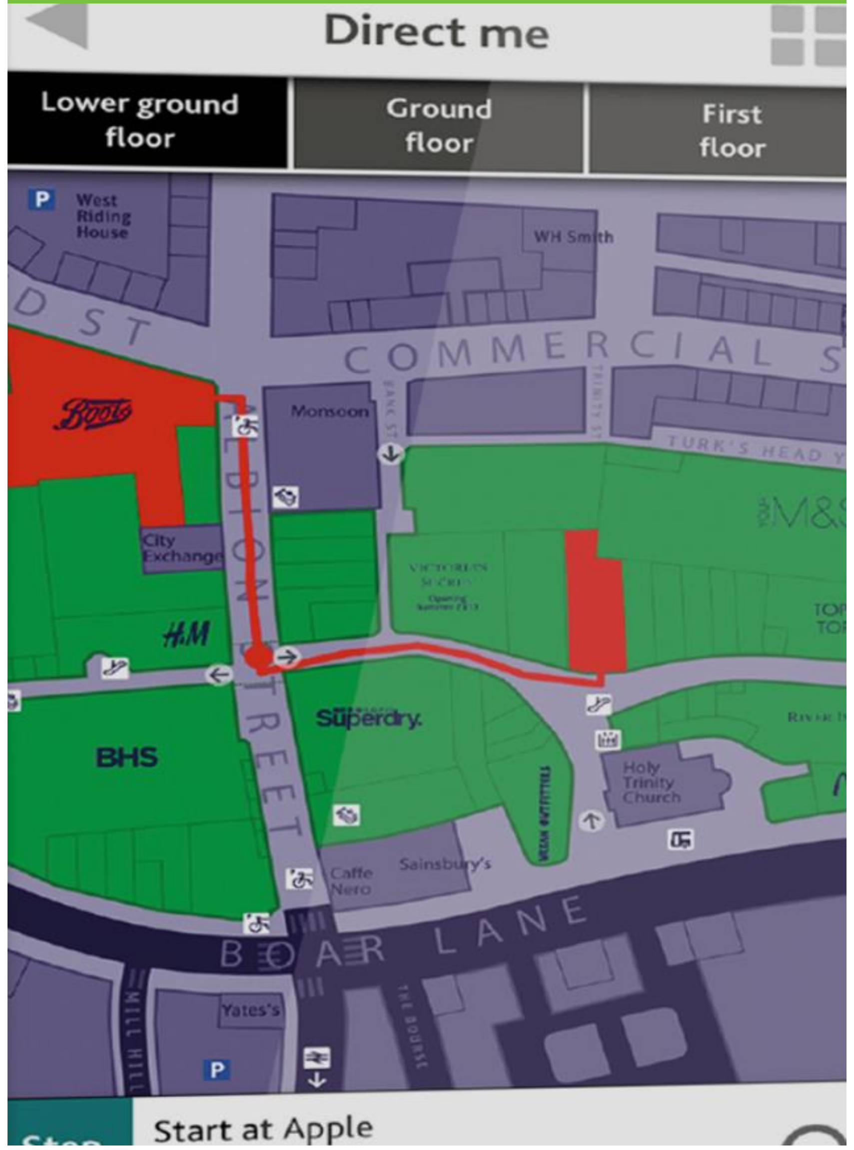
Beyond catchment – shopper missions

Destination led	Locally driven	Purpose driven
• Leisure dominated trip • Pair/single doing a big shop • Window shopping • Friends browsing • Family day out • Friends big day out	• Convenient grocery shopping • Local neighbourhood shopping • Killing time • Convenient leisure	• Single item pick-up • Weekly grocery shop • The necessary evil • The big ticket shop
55%	5%	40%

UK average: value of mission type

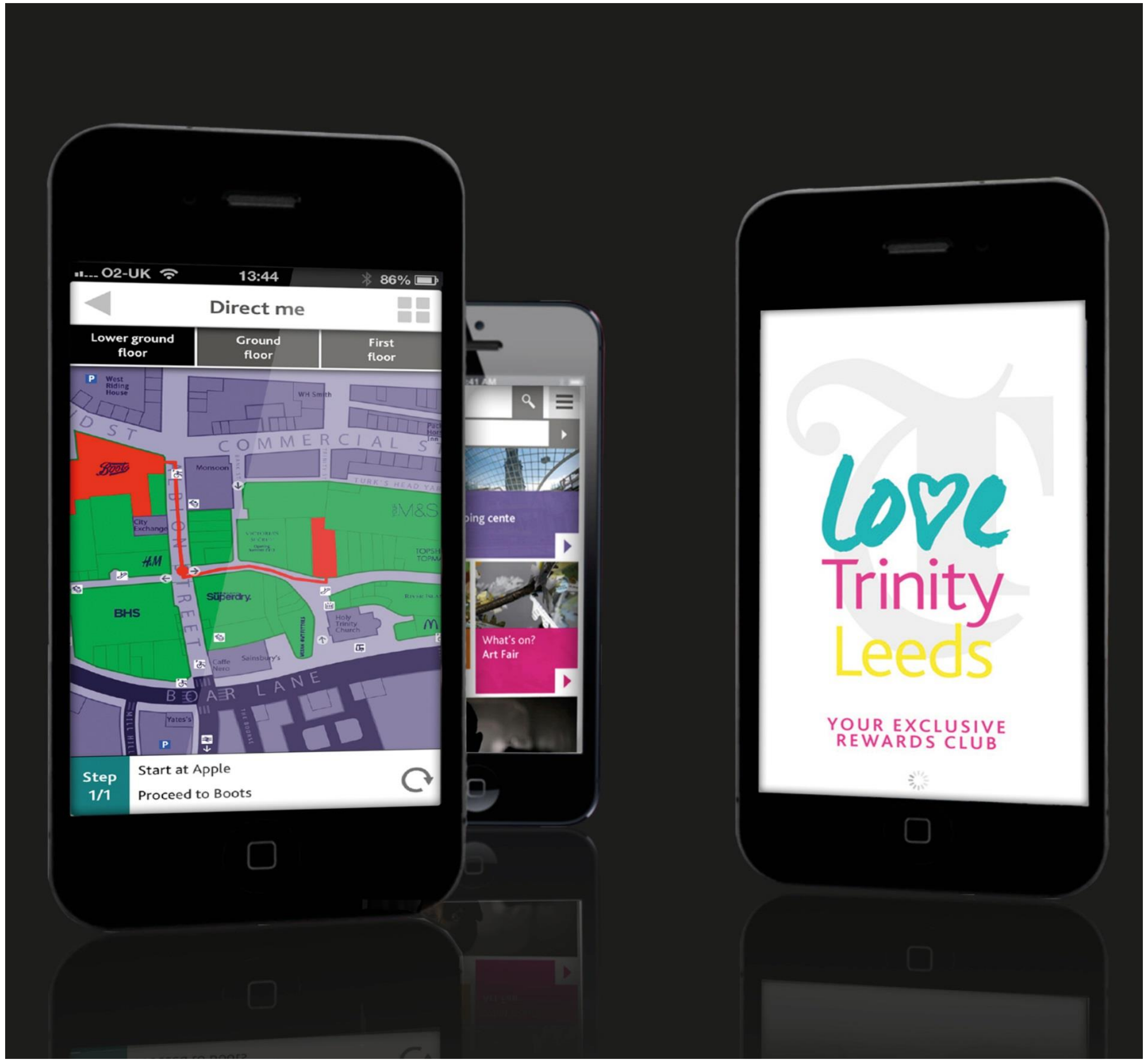
Source: CACI Shopper Missions 2014/2015 off peak

We know what consumers value

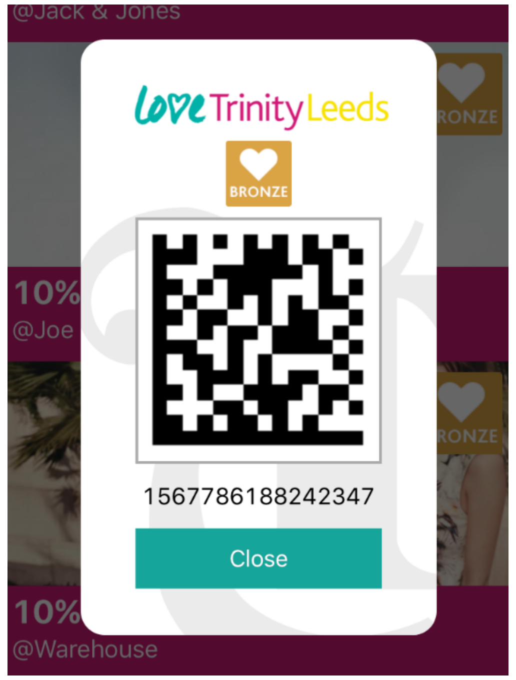
Retail mix	Food options	Customer journey	Entertainment
			

Technology – helping consumers where it matters

- Understanding consumer priorities
- Planning, parking, wayfinding
- Offers and rewards
- Keeping close to innovation



Rewarding consumers for loyalty



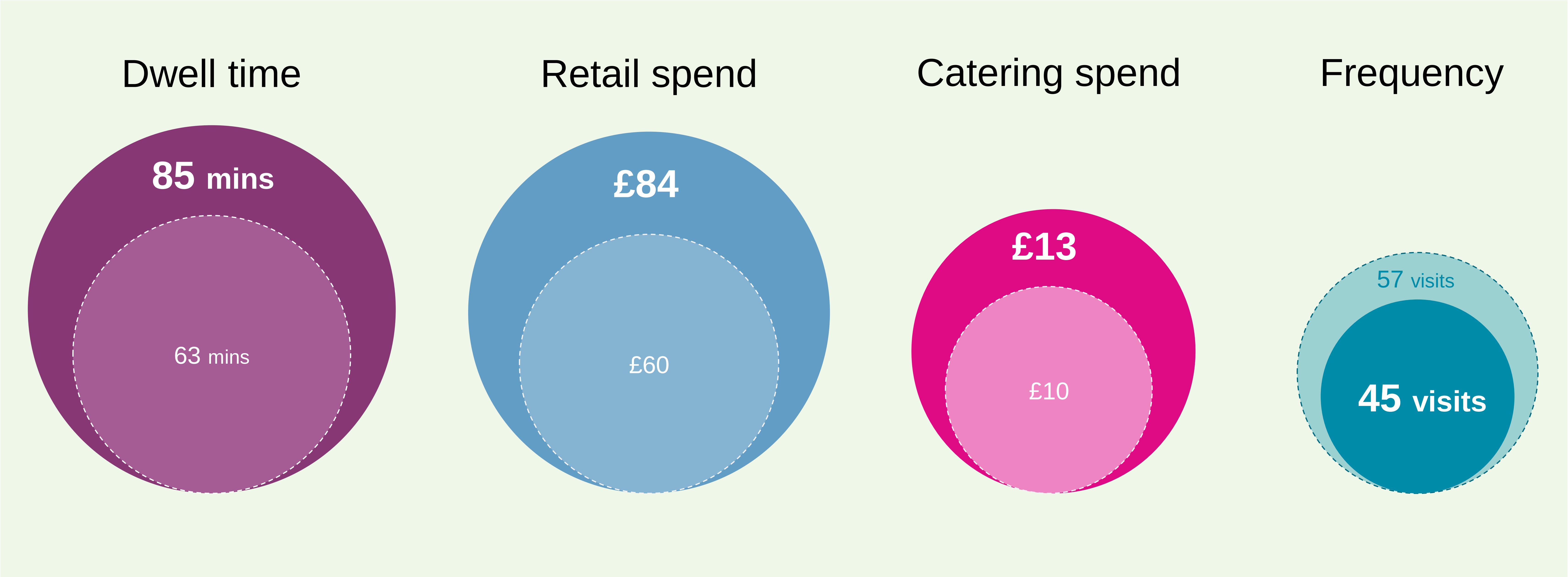
Keeping close to future innovation

TRUE START

Other partners VISA accenture RIVER ISLAND

Example companies HOXTON ANALYTICS Presence Orb

Our consumers stay longer and spend more

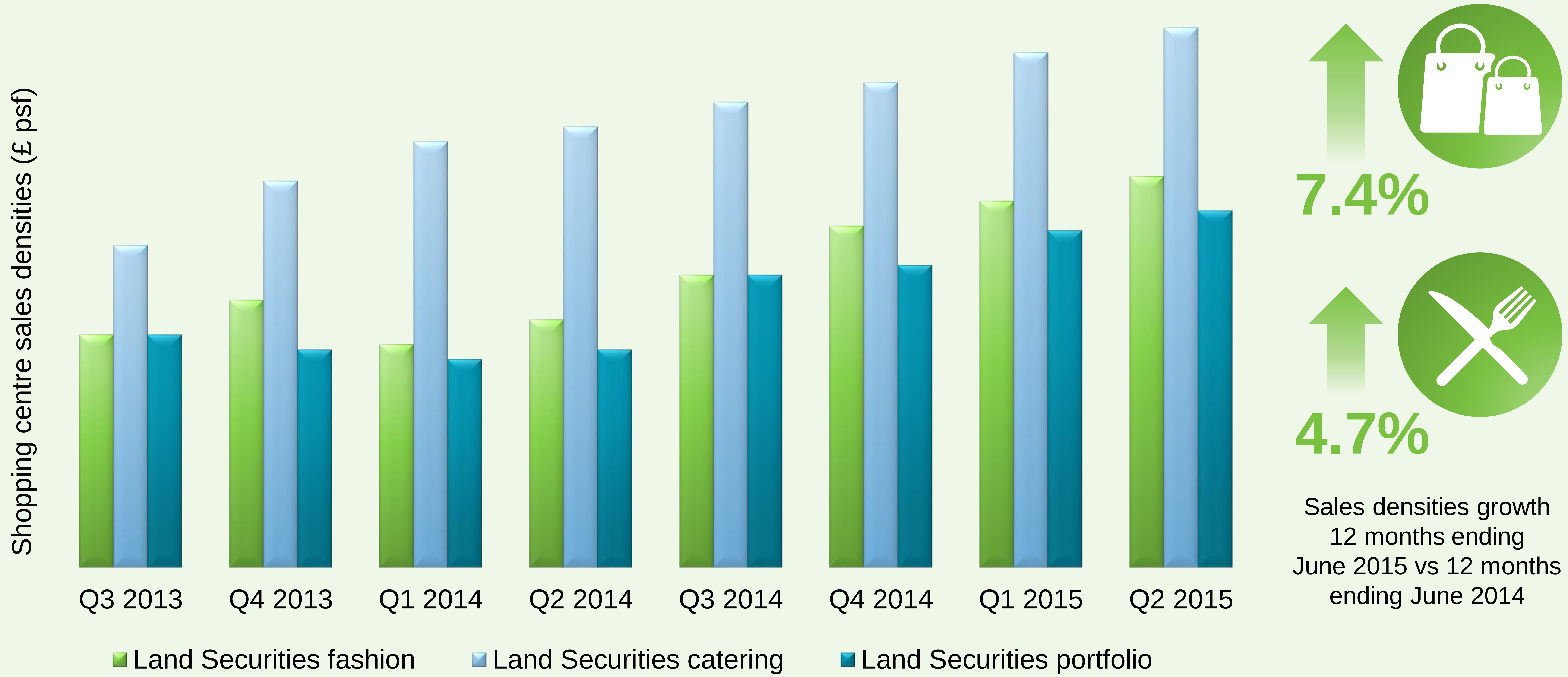


Land Securities portfolio average

UK average

Source: Year-to-date Land Securities survey data, CACI Shopper Dimensions

Sales densities growing year-on-year



Sales densities growth 12 months ending June 2015 vs 12 months ending June 2014

Source: Land Securities portfolio average

Summary

- Dominant shopping centres capturing high spending missions
- Understanding consumer priorities... for access, comfort, experience and relevant technology
- Schemes that retailers want to be in



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Polly Troughton

Head of Portfolio, Retail Parks and Leisure

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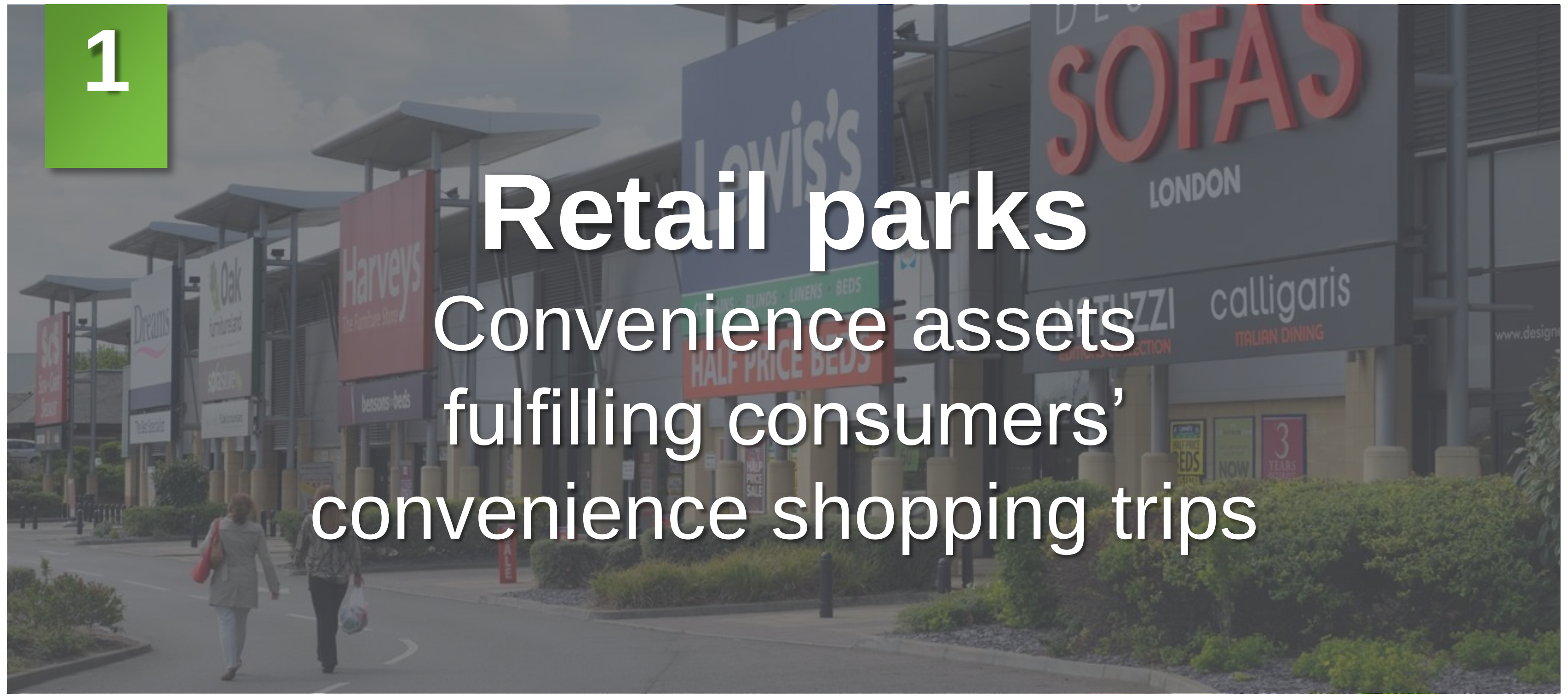
Key areas



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Retail parks

Convenience assets fulfilling consumers' convenience shopping trips

2

Leisure and hotels

Expertise driving rental growth

3

Suburban London

Strong growth potential and mixed use development opportunities

4

Shopping centres

Dominance, Experience and Convenience

Focusing on convenience parks

Foodstores	Shopping Parks	Convenience Parks
		

Retail parks – convenience, resilience and liquidity

Key characteristics matrix

Catchment		
Dominant	Strong trading location	Growing population
Property fundamentals		
Flexible planning	Flexible building design	Ample car parking
Affordable rent	Refurbished elevations	Supermarket right size and rent
Liquidity		
Lot size <£80m	WAULT >7 years	

Strong trading locations... flexibility for retailer needs

Consolidate and release space

Currys PC World

Dixons Carphone

Discount retailers drive footfall and rental value

b&m

Poundland

First UK location of new retailers

Tapi CARPETS & FLOORS

DECATHLON

F&B in every park

Vacancy rates low and falling. WAULT 9 years

Driving capital value and income

Goodmayes Retail Park, Chadwell Heath

Blackpool Retail Park, Blackpool

Greyhound Retail Park, Chester

The Peel Centre, Bracknell

Kingsway West Retail Park, Dundee

Bishop Centre, Taplow

Lindis Retail Park, Lincoln

Every asset has a plan

Developing the right space in the right place

Worcester Woods, Worcester

Selly Oak, Birmingham

M&S

Sainsbury's

John Lewis at home

next HOME AND GARDEN

Leisure driving strongest ERV growth

- Strength and depth of the market
- Increasing leisure spend
- Specialist leisure team
- Strong restaurant demand

Xscape, Milton Keynes

Restaurant expansion driving rental growth

Restaurants ERV growth – March 2013 to March 2015

+27%
Bentley Bridge, Wolverhampton

+37%
Boldon Leisure Park, Boldon

+19%
Cardigan Fields, Leeds

+15%
Cambridge Leisure, Cambridge

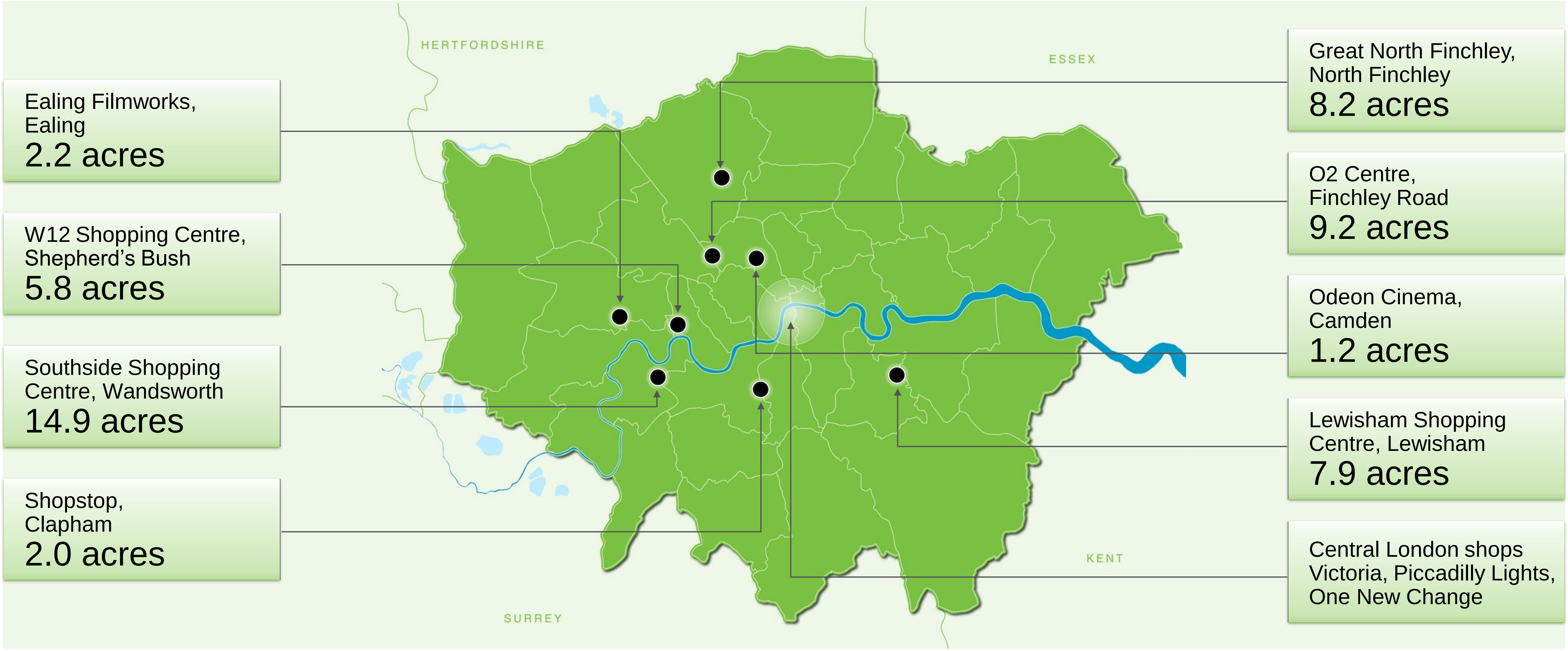
+31%
Cornerhouse, Nottingham

Focus on consumer experience... driving footfall

Xscape, Yorkshire

Xscape, Milton Keynes

London Retail... >£2.4bn in the UK's engine room



>50 acres in suburban London

Maximising Crossrail opportunity

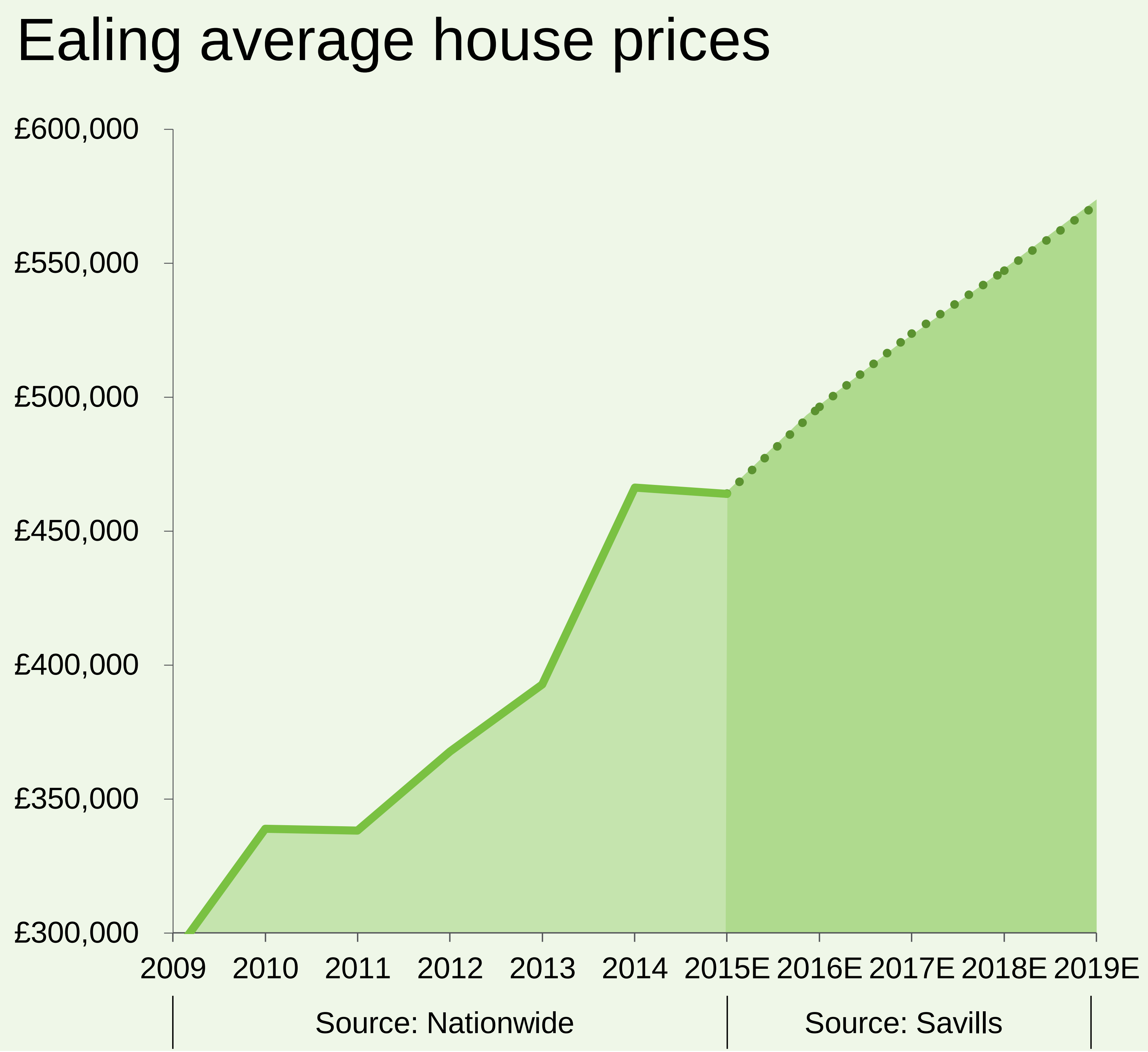
Ealing Filmworks, London

New leisure and residential quarter in the heart of Ealing

PLANET ORGANIC

Picture house

VAPIANO®



Creating places... making waves

rōla wala
– TWISTED INDIAN STREET FOOD –

STREET FEAST

POPO's
FIESTA DEL SOL
MEXICAN FOOD

LONDON UNION

Dominance, Experience and Convenience

WESTGATE OXFORD

Trinity Leeds

BLUEWATER

white rose shopping centre

St David's Dewi Sant

Gunwharf Quays

BUCHANAN GALLERIES

Creating a new shopping and leisure destination

Westgate, Oxford

Strong leasing momentum

- £440m TDC – £220m Land Securities' share
- Innovative leasing strategy
- 33% pre-let

next
H&M
schuh
Superdry.
John Lewis
MICHAEL KORS
RIVER ISLAND
PRIMARK®
CURZON CINEMAS

Westgate, Oxford

Expanding F&B and strengthening retail mix

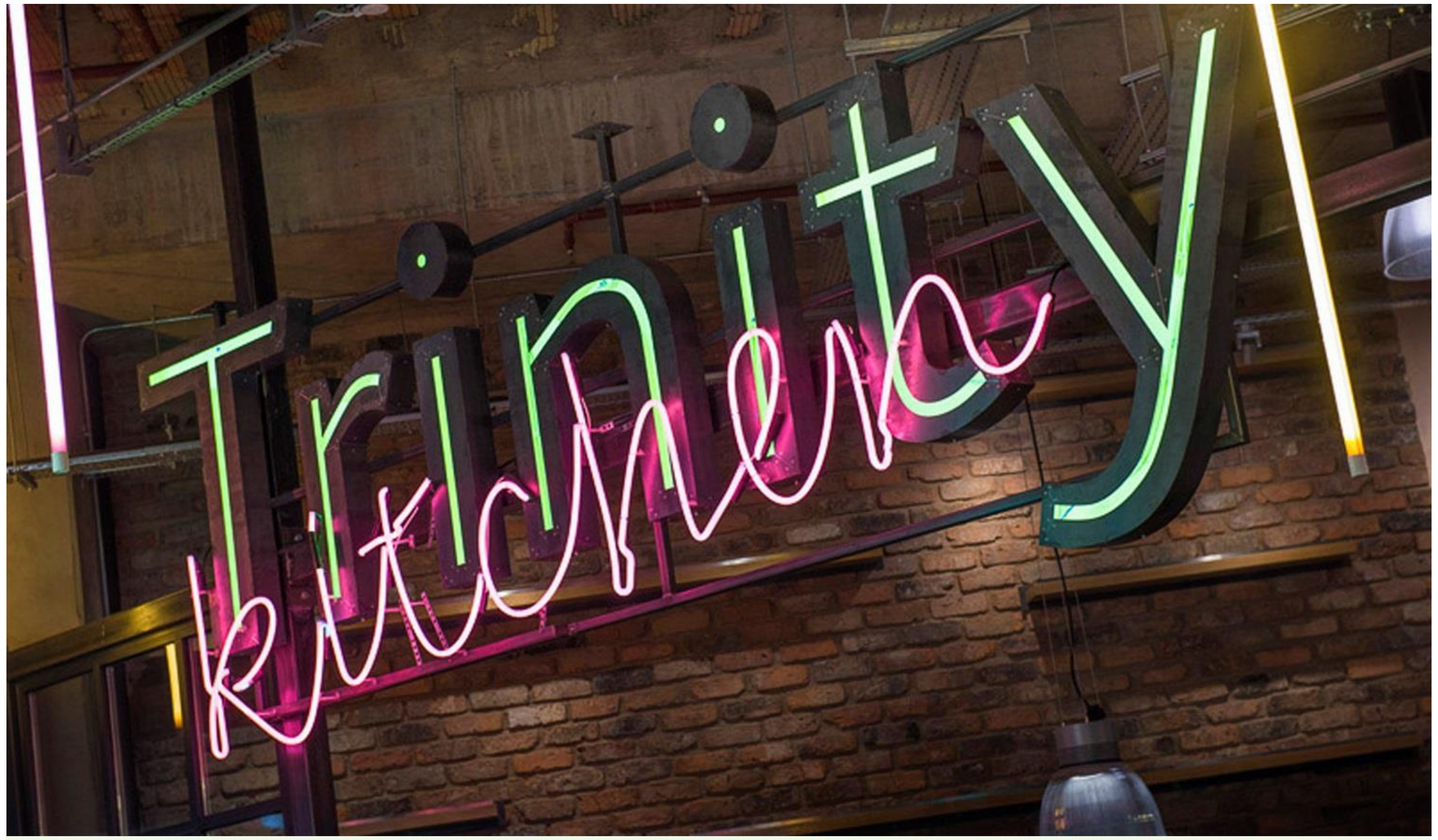
St David's, Cardiff

Loyalty and leisure. Incubate and innovate

white rose
shopping centre

cineworld CINEMAS
wagamama
Carluccio's
Pizza Hut
CHIQUITO THE ORIGINAL MEXICAN GRILL & BAR EST. 1989

Trinity Leeds



Bubbleology The Delicious Science of Bubble Tea
Krispy Kreme DOUGHNUTS
MEAT liquor
rōla wala
EST. 1851 MOSS BROS.
REPLAY

Sales density growth adding value to turnover rent

Optimising tenant mix

Reconfiguration and relocation

Consumer experience

Gunwharf Quays, Portsmouth

Summary

- Focusing on convenience retail parks
- Unique leisure expertise driving rental values
- Exploiting the London market
- Shopping centres in the right place with the right space

Bluewater

Scott Parsons

Managing Director, Retail Portfolio

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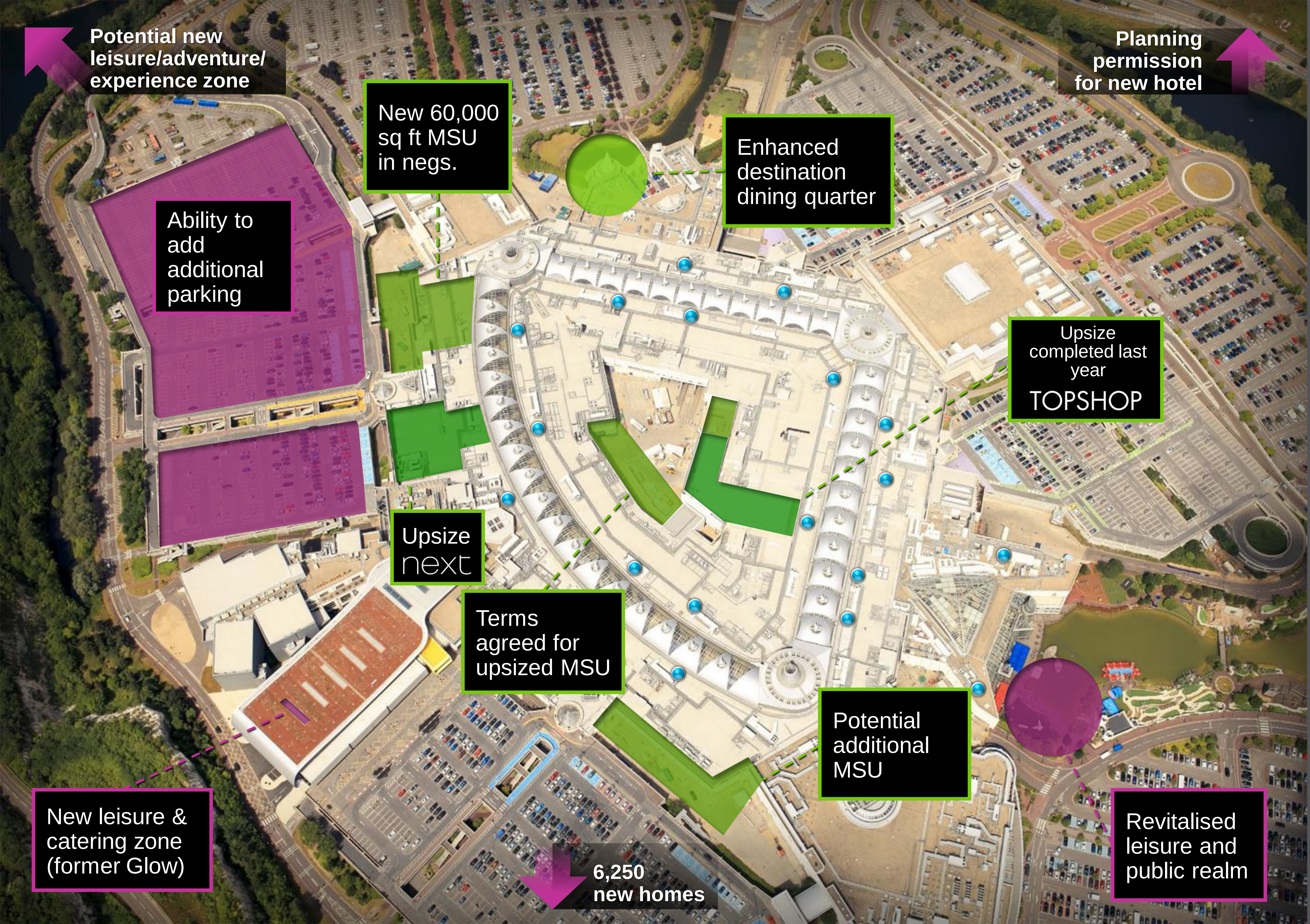
Bluewater... best of the best

£897m	Total annual sales
174 mins	Dwell time
94%	Conversion rate
6.6m	Affluent catchment
+4.8%	Calendar YTD sales
+1.7%	Calendar YTD footfall

A magnet for new brands



- MSUs – existing, underway and potential
- Existing retailers upgrading fitout
- Future potential

Wealth of success stories

BLUEWATER

M&S

JD

John Lewis

MONT BLANC

JO MALONE LONDON

LAKELAND

FIVE GUYS® BURGERS and FRIES

Bill's Breakfast Lunch Dinner

smiggle®

wagamama

Rockar.

HYUNDAI

Mappin & Webb LONDON

Nando's

Glow... optimising the leisure opportunity

Before

After

Bluewater, Kent

Summary

- Best in class portfolio... compelling destinations, strong growth locations, asset management and development upside
- Industry leader in leisure and catering
- Deep understanding of customer and consumer needs



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