

# The King who's queen of retail

After 18 years with Hammerson, leasing director Sheila King decided to strike out on her own in April last year. Liz Hamson finds out what prompted the move and why she's excited about luxury, premium and travel retail

Sheila should take a bow (to bastardise the words of the Smiths). It has been just 18 months since she left Hammerson - after 18 years at the company - and the virtual one-woman band that is Sheila King International has already chalked up a raft of big wins.

Last month, through her relationships with David Reiss and CBRE, she helped Unibail-Rodamco land the first flagship Reiss store in France at its Polygone Riviera Designer Gallery on the French Riviera. The news came hot on the heels of the announcement that another of her clients, the Canadian shopping centre developer Triple Five, had done a deal with US retailer Hudson's Bay Company to open three of its flagship stores in the American Dream retail complex in New Jersey.

And, she reveals, she has also been busy building the UK side of the business. Already boasting Bicester Village Outlet Centre owner Value Retail among her clients, she has now been retained by London and Continental Railways and HS2 to develop a travel retail strategy for the stations.

With so much on, it is no wonder King looks slightly distracted when we meet in the classy surrounds of the Arts Club on Dover Street in London. But make no mistake, while her eyes dart now and again towards her incessantly buzzing phone, she is laser-focused on the prize - a prize that is about to get a whole lot bigger in the coming months.

King describes herself as someone who, through her years of experience and network of contacts, "provides strategic leasing advice to landlords and helps them to build key relationships that add significant value to the portfolio".

Those key relationships are, of course, with retailers and in her line of sight are those looking to expand, in Unibail's case in or to Europe, and in Triple Five and Macerich's case in or to the US. She cites the example of Reiss taking space at Unibail's Polygone Riviera scheme on the French Riviera. "We took David Reiss on a flight to Nice and spent the day with him," she recalls.

"It is all about giving these retailers time to understand their key requirements on entering a new market. The lease exchanged within three months of agreeing the deal."

The 750,000 sq ft Polygone Riviera Lifestyle Centre opened on 22 October, showcasing the first of Unibail's 'Designer Gallery' concepts. The next one will be in Mall of Scandinavia, a 1m sq ft project that opens this month. Identifying the retailers that are likely to make it on the international stage is "all about the story", says King. "It's about being different. When you look at retailers such as Kit and Ace, theirs is a story of cashmere: it's washable; it's a good price. It's got a great story behind it, and that gets the brand recognised and known."

#### Perfect fit

Many of the brands King deals with are fashion brands. Handily, she is into fashion (yes, that is Alexander McQueen she is wearing on the cover) and has been since she was at the University of Reading. "I loved retail, fashion and quirky clothes. The stores there were more quirky than the ones in London."

She joined Gerald Eve when she left university, but her head was soon turned by an opportunity

that combined her passions and she went to work for Capital Shopping Centres. "They were fantastic at taking young people and just throwing them in at the deep end," she recalls.

King's big break came in her 20s, when she was put in charge of the Glades in Bromley. "I was lucky. It was the beginning of turnover rents in the UK, so I had to meet every single retailer coming into the centre because we were setting the turnover percentages, which meant you had to understand their business. That's where I learned everything."

Then she got headhunted to go to Hammerson, where she took on the refurbishment and

expansion of Brent Cross, its first development for years. Her proudest moment in her 18 years with the company, however, was the opening of the Bullring in Birmingham in 2003.

"The whole design and environment changed the perception of Birmingham; to see people's faces coming to the Bullring. The scheme was 100% let on opening within budget and on time. For its time, it was unprecedented. To have Selfridges, Debenhams and TK Maxx was fantastic. Hammerson was looking to the future with the iconic Selfridges building."

It was at the Bullring that she introduced the UK to Forever 21. An arguably more impressive feat was coaxing Hollister into taking its first UK store, at Brent Cross. "We had the deal agreed. But the board members turned up to Brent Cross and saw the exterior and said they were not even going to go inside. After some persuasion and

an explanation of the sales figures they were convinced. They could easily have not done the deal."

That they did is testament to King's powers of persuasion, powers increasingly focused on international retailers towards the end of her time at Hammerson. "I was spending a lot of time on new relationships for Hammerson and I could see there was a lot

to do and learn internationally. I saw an opening in the market. The key thing is understanding how to effectively use your network of relationships."

Indeed, King goes so far as to say that relationship building is now 70% of the equation rather than the 30% it once was, which is fortunate as she is rather good at it. She is currently putting her skills to good use discussing European expansion plans with the likes of Kate Spade, Tory Burch, Express and Victoria's Secret. She is also looking with Macerich and Triple Five at Topshop taking further stores in the US and expects the Arcadia

"It is all about giving these retailers time to understand the key requirements on entering a new market"





Dressed to impress: King developed a love of retail and fashion at the University of Reading

retailer to increase its European presence too following the recent opening of its first European store, in Amsterdam.

On a recent fact-finding mission for Unibail to Columbus, Ohio, one retailer in particular that impressed King was Express, a fashion brand that currently has no presence in the UK, but is looking at London as its first potential location. "I really rate them because they're looking very closely at their infrastructure. Especially with fashion, you need to find retailers that are really thinking it through and getting their strategy right."

That does not necessarily mean opening a huge number of stores. In the UK, international retailers are typically looking for 25 to 30 stores compared with 100 to 150 a decade ago, and the situation is mirrored across Europe as retailers pursue an increasingly multi-channel strategy.

King admits the impact of online retailing on physical store requirements has been more extreme than she expected. However, that plays into the hands of innovative landlords who deliver the space retailers want in an exciting destination, she argues.

Take Unibail's designer galleries. Unashamedly aimed at aspirational, premium retailers, they are "very focused on the environment, level of service and merchandising mix", says King. It is a mix that has certainly won over the likes of Printemps, Reiss, Georges Rech, Brooks Brothers and Lacoste at the Polygone Riviera, which also offers concept stores such as Grand Playground, a concept store from Lille.

Luxury and premium retail does not very often work outside the big cities, believes King, but within those cities she sees plenty of room for growth and that means the city retail offer will evolve and grow as well. "In three or four years, I think you'll see more focus on the cities. The customer wants variety, and something different."

"In three or four years, I think you'll see more focus on cities. The customer wants variety, and something different"

The customer also wants more food and drink, which is why she expects to see the tenant mix become less fashion and more restaurant and catering based. More non-fashion retailers are likely to come to the fore, she adds, citing Tiger and the accessories and cosmetics offerings of brands such as Burberry. "It's about improving all the time," she says. "It's more about customer service and quirky things."

Encouraging different landlords to share insights is key, she adds. Because she worked for a landlord, King knows how important it is to learn from other landlords and understand international trends, so when she takes Unibail to the US, she will take them to meet Macerich and Triple Five.

Both Europe and the UK can learn from the way US landlords approach shopping centre development, she believes, pointing to Triple Five's American Dream scheme, which is opening in September 2017 and has just signed a 130,000 sq ft Saks department store as well as an 8,000 sq ft Hermès store and a 58,000 sq ft FAO Schwarz store.

#### Direction of travel

The average stay at its centres is two days compared with two hours at a prime UK centre, thanks partly to the compelling hotel and restaurant offer. "The leisure and restaurant side is key and growing. The need to offer an experience is growing."

That applies equally to the retail offer and when Triple Five, or Macerich for that matter, meet retailers, they aren't just intent on doing a deal to let space to them; they want to know exactly what their strategic, marketing and design needs are so they can provide the right sort of space.

She gives the example of Dune London, which took a store in Soho in New York and is now looking to expand. "Do they take more high-street stores or shopping centres or both? By talking to the landlords early, they can learn a lot. They're now saying it's expensive in New York, so let's have a look at shopping centres."

You can be sure King will be on hand with advice. Despite her punishing travel and work schedule, she cannot resist taking on more work. This March, the Blackstone Group appointed her to join its multi-corporation supervisory board, based in Amsterdam. She

is also very involved with the International Council of Shopping Centres, sitting on its executive board and chairing the European leasing group and, of course, she has just done the deal with LCR and HS2 to scope out the retail offer at the stations.

Travel retail is very much on retailer agendas these days, she says. "It's about how you provide the experience to attract a broad range of customers, from the business user to the local resident to the tourist. Many retailers are introducing travel concepts as they see travel as a great opportunity."

It is not hard to see why LCR and HS2 sought King's advice. She offers a unique service. "I really do think it's a new role in the marketplace. I work with the landlords, but I work with the agents as well and there was a gap on the relationship side."

King is starting to close that gap with the help of new recruit Lucy Cassels, a leasing consultant who joined the business in June from Westfield London. Looking ahead, the plan is to grow steadily, she says. "It's not about getting really big; it's about getting the right number of complementary clients. Building retail destinations with a broad range of exciting categories is key."

For many landlords, equally key is the former Hammerson director's help in achieving that goal. Who better to go to? King is, after all, the queen of retail. ■