

NO RESOLUTION OUTCOME

ALTERNATIVE FUTURE: THE RETAIL LANDSCAPE

Assessment

- Examine your business model and decide whether it is viable for the long-term:** what is the existing occupancy cost, and what is a sustainable rent going forward? How expensive is the store fit-out and how long will it take to amortise the cost?
- Analyse market trends and uncertainty to determine whether a short, flexible lease is preferable** to a longer term
- Analyse the performance of your store and the shopping centre or precinct:** is it in the best possible location in terms of the centre's retail mix, and delivery of quality foot traffic? Would it be better suited to another area, or even moving to a shopping strip?
- Given the changes in consumer behaviour, **how is the shopping centre management planning to support retailers and drive foot traffic** over the next two to five years?

Education

- Seek advice from your buying group or industry organisation, such as the Australian Retailers Association:** inform yourself about the landlord's obligations, what you are entitled to as a tenant under legislation, and what you are not required to provide – such as cash flow projections or financial statements
- Refer to the relevant retail tenancy legislation in your state** – several have been updated in recent years with increased protections and flexibility for tenants
- Check your relevant Small Business Commissioner's website for guidelines** and frequently asked questions regarding commercial tenancies

Negotiation

- Bring an attitude of fairness and good faith to the conversation,** but recognise that the survival of your business is paramount
- Be honest with the landlord about what you can afford**
- The Australian Retailers Association recommends retailers **avoid signing a non-disclosure agreement,** as this limits their options for collective bargaining
- If you are unable to come to an agreement, seek support from your state or territory's relevant Small Business Commissioner,** as many are equipped to provide mediation services at low or no cost