



**Sarre & Company**  
CHARTERED SURVEYORS

11 September 2018

**BY EMAIL & POST ([scrutiny@gov.je](mailto:scrutiny@gov.je))**

Kirsten Morel  
Economic Affairs Scrutiny Panel  
Scrutiny Office  
Morier House  
Halkett Place  
St Helier  
Jersey  
JE1 1DD

Dear Deputy Morel

**Re: Retail Review – Jersey**

Further to your letter of 4 September 2018, I set out below my general thoughts with reference to the various questions raised.

By way of background, I am an Equity Director at Sarre and Company Chartered Surveyors and we specialise specifically in commercial property matters focusing on retail, offices and warehousing.

**1. What are your general thoughts on the retail sector in Jersey?**

Jersey has a limited market and as such, I believe we are well provided for in the island across the retail sector and at this present moment in time, regardless of recent negative publicity, the retail sector in Jersey is quite buoyant and certainly the non prime/secondary areas have made a strong come back, with generally limited vacancy. Out of town retailing however still struggles.

**2. What can be done at a local level to stimulate retailing?**

I believe the retail offering in Jersey is quite strong, with 2 substantial short stay car parks at the bookends of the prime retailing areas. I don't believe a great deal can be done to stimulate retailing further, "it is what it is", albeit I think the kiosk style offerings for food within the main retailing areas are of benefit and should be promoted.

**Cont.**

**3. Do you feel shopping habits have changed over the last 5 years?**

Yes, indeed shopping habits have changed over the last 5 years, but this is not bespoke to Jersey, it is a worldwide position. We are seeing far more coffee shops, phone shops and small express supermarkets whereas certain retailers struggle because it is simply quicker and cheaper to shop online. No matter how the internet affects the retail sector, there will always be a demand for a retail center, as retailing is not just about purchasing product, it is also about the retail experience.

**4. Do you think commercial rents have a negative impact on the retail centre?**

I do not think current rental levels have a negative impact on the retail sector, the market generally sorts itself out. What has had a big impact on the retail sector is the change in emphasis of the prime financial areas. For example, the Western end of King Street and Sand Street, being the gateway to the Financial Centre, have improved over the last 5 years whereas retail areas to the East and North of St Helier have weakened slightly over the same time period, but this is a by-product of the shift towards the Esplanade of the Financial Centre itself. In my opinion, the market should be left to adjust itself naturally and it does so quite well. Landlords in areas such as Beresford Street, West Centre and Halkett Street in recent times have been far more conservative and indeed we have experienced a fairly strong take up in these areas as a result.

**5. Have commercial rents increased or decreased over the last 5 years?**

Various areas owing to the shifting Financial Centre have weakened slightly over time whereas the West end of King Street and Sand Street in particular have flourished in recent times.

It is fair to say, retail rents in the prime areas are only now recovering to the levels that were prevailing prior to the October 2008 "Credit Crunch", but once again market forces are levelling the playing field.

In summary, in my opinion, Jersey has a good retail offering and I would allow the market to reset rental levels, especially as landlord's these days are more amenable to negotiation than having a vacant property.

What is holding back "Jersey" retailing is the costs of doing business is the island, which is not just rent, it is a bigger picture including high staffing costs (if you can secure good staff!) and freight charges.

Should you wish to discuss this further, I would be more than happy to further this debate.

Yours sincerely



**ALISTAIR M. SARRE B.Sc. MRICS**  
**DIRECTOR**