

Submission 6 - Mike Jouanny

Good morning.

I have followed, with great interest, the situation with regard to the Retail Sector in our Island.

I own and operate a small business based in St.Helier which has experienced an average yearly growth of 12% per annum over the past 3 years.

I put this down to a number of factors :-

- A) Understanding my customer`s requirements fully
- B) Having a dedicated workforce whom I treat and pay fairly
- C) Diligence on my part to ensure that we are always competitive on price, etc.

However, there is one primary point of importance that is crucial to our success. I have an excellent Landlord who understands our business and is supportive to our on-going growth. Why ?...because we trade from the premises that he also did before retiring. He knows about retail. By understanding and supporting us he is ensuring his own security of rental income.

An observation that I have made over the years is that, in the main, Property Owners and their agents who have business premise to rent do not have any interest in the business of their tenants. They are solely interested in maximising the return that they can get for their property – very often driven by the “Market Value” told to them by their agents. Driven by the potential commission that they can earn and nothing else (?).

This is living in fantasy land in my opinion. The rents being asked are, in the main, vastly excessive and it is impossible for any potential (or existing) retailer to pay them whilst running a financially stable business. It is essential for any business to make a decent profit if it is to stay in business. We are not all trading in the Finance Industry which has high profit margins. A lot of us are in “The Real World” of smaller profit levels and competing against the Internet.

Before any decisions are taken by any authority to reinvigorate St.Helier or other retail areas in the Island, Landlords need to be made fully aware of the mistakes that they are making in asking such high rental charges. If they wish to have their properties occupied by tenants and therefore have a return on the building , they should be working more closely with prospective business who wish to rent from them. Finding the “common ground” is essential to the benefit of both parties. Honest discussion, mutual respect and understanding of each other is the key. It doesn`t matter what is happening to other people or in other places. This is our problem and it can be sorted out if much more discussion and honesty is applied by those people involved. Conversely, prospective business`s should also be respectful of the Landlord and their property and the realistic requirements that they have.

Put plainly, forget “Market Value” and other such theoretical expression and...heaven forbid..talk to each other !!! Form a working relationship to the benefit of both sides.

This is not pie in the sky. It is a fact of life. If we really want to safeguard the future of our town, we need vastly more amounts of honesty, less greed, less head in the sand attitude and a whole lot more working together to succeed in an ever rapidly changing world.

I am past retirement age but still love my business as much as I did when I first started 28 years ago. I will only give up if I am forced to. There are many more decent hardworking individuals like me in the Island who have the same drive and enthusiasm as I do who would like to start a business but they are stifled by, primarily, unrealistic rents and associated charges. Until this problems is faced head on and changed our town will continue to decline.

Too often I read pretentious rubbish written by people in supposed position of knowledge and responsibility who could do something about all of the above but they don't. Instead, they act as if all is rosy in the garden and do not face the reality of the decline.

We need to not take notice of these people, meaning the Town Centre Manager types employed by either the parish or the States and similarly titled employed characters, but should tackle the biggest and most important problem – exorbitant rentals.

There is always a way to solve a problem or frustration. A new approach by all concerned is required. It can be done. It just needs a positive outlook.

I pride myself on by a capitalist who has a strong social conscience. I believe wholeheartedly in a fair profit whilst attempting to achieve full employment for our people at a decent living wage. At the moment I feel that I am very much in the minority and that maximum profit is the aim by a section of us with no thought for the social decay and decline that it brings. We are a community. That requires us to consider everyone. That is not happening at the moment. We can change that !

Nothing would please me more that to see our Island, in which my family has been for many hundreds of years, be vibrant and financially secure for everyone that wants to work at it for the benefit of everyone.

If we don't achieve that then we will continue to lose more of our younger Jersey born people to other places because they cannot afford to live in the place of their heritage.

How long before there is an enclosure at Durrell for that endangered species...The True Jersey Folk ?

Many thanks for reading this message.

Regards
Mike

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