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support in London

Capital Enterprise “Pop-Up” Shop Management Scheme

Capital Enterprise, through its members and partners, is offering to implement and manage “Pop-Up” shop schemes for London Councils, London Landlords and town centre managers.

What Are “Pop-Up Shops”

A “pop-up” shop is a short term let of a property in a good or unusual location for a nominal rent to either a team of creative individuals who use the shop to display and sell their time limited offers or limited number of creative wares or to a pre-vetted new businesses to test and trail new innovative products/services or retail concepts in a suitable high street setting.

POP-UP RETAIL are initiatives that have a tendency to pop up unannounced, quickly draw in the crowds, and then disappear or morph into something else, adding to retail high streets the fresh feel, ingenuity and surprise that galleries, fairs and “cat-walk” shows have been using for years.

Pop-up retail also has the added benefit of allowing landlords with void property to find a temporary usage of the property that will enable them to obtain empty property business rate relief on a property with a rateable value over £15,000 per annum. If the temporary occupation of the previously void property lasts more than 6 weeks and one day, the landlord will receive an additional 3-6 month period of empty property rate relief.

Consequently, it pays for the landlord to let a property on a temporary basis for a minimal rent to temporary tenant who in turn covers the service charge and rental fees.

The Two Types of “Pop-Up Shop”

Capital Enterprise has members and partners willing and able to set-up and manage two types of “Pop-Up shop” schemes. These two distinct types are:

- 1. Pop-Up Shop for High profile mainly creative based concepts.** These schemes involve the managing agent becoming the prime short term tenant of a property that they refurbish into a “Creative Space”. The managing agent subsequently sub-lets the property for a week or two to creative talent who use it to display their collections or for high profile press launches. A successful example of these type of scheme is run by Camden Unlimited in Camden High Street.

The benefits of this type of scheme is that it brings something fresh, different and

exciting into the high street, connects the shopping centre with the creative activity that is going on in the locality and achieves publicity and profile for the town centre.

- 2. “Pop-up Shop” as an incubator for new innovative retail concepts or businesses.** These type of schemes involve a managing agent becoming the prime tenant in order for them to sub-let the property, at a nominal fee, to a new business or new retail concept for a period of between 3 months to two years. The new retailer is given the opportunity to “Test and Trial” there concept or products/services and so that they can establish a track record with customers and prospective new landlords before deciding to take on a longer term lease. This way the “Pop-up shop” scheme acts a launch pad to catapult innovative and fresh new businesses into the high street. The Capital Enterprise member, the London Youth Support Trust, has been successfully running a “pop-up shop” incubator scheme through its off-shoot Cherry Picked (<http://www.cherrypicked.biz/index.php>) in areas as diverse as the Royal Exchange and Greenwich Market. The Cherry Picked “Pop-Up” shops are sub-let on a license to entrepreneurs under 30, and these young entrepreneurs are offered on-going advice and business mentoring to help them succeed. The London Youth Support Trust is a charity and therefore is able to obtain 80% relief on the business rates since its support scheme for young people is deemed by the authorities as operating from the “pop-up” Shop premises.

Both types of “Pop-up Shop” scheme and there variations have their merits and Capital Enterprise is able to find members and partners able and willing to help a council or a landlord to set-up and run a scheme that will meet their preferences and objectives.

What can Capital Enterprise do?

Setting up, managing and delivering a “Pop-up” shop scheme can be very time consuming, and if you do not know what you are doing, expensive. Capital Enterprise has therefore agreed, as part of its overall Empty property Scheme, to find and introduce interested councils, landlords and town centre manager teams to organisations (whom for the most part are Capital Enterprise members) who have the experience and capacity to:

- Devise and develop a viable a “Pop-Up” shop scheme that meets the objectives and goals of the sponsoring authority or landlord.
- Contact and negotiate with Landlords and Agents so that become willing to put their void property into a “Pop-Up” shop scheme.
- Take on the responsibility of the prime tenant for an agreed period of time.
- Take on the responsibility of site security, property maintenance, insurance and payment of utilities charge.
- Re-furbish the property so that the shop can become “fit for immediate occupation”
- Market the property to either creative teams or new viable businesses or existing business with new and innovative retail concepts.
- Sub-let the property to new business or creative activity that will add value to the high street.
- Provide tenant support services.
- Provide business mentoring and support.

How much will it cost?

The cost of a “Pop-up” shop scheme is dependent on the size of the scheme, the type and condition of the property (i.e. does it need extra funding to cover the cost of refurbishments) and the objectives of the sponsoring council or landlord. However, in virtually all cases, once the scheme is set-up, Capital Enterprise members and partners will endeavour to ensure that the scheme will be self-financing and that any management fee is not paid by the landlord or council but by the end user or third party supporter. In each case, Capital Enterprise will help the landlord or council to outline their own preferred “Pop-up Shop” scheme and budget, and then find a member or members able and willing to deliver that version of a “Pop-Up” Shop scheme to the agreed specification and budget.

What Next?

If you are interested in finding out more then please contact John Spindler CEO of Capital Enterprise at john@capitalenterprise.org or 020 7843 4331.