

# No end to retailers' woes despite lower rentals

"On a per store basis, retailers have limited staff but malls employ a huge number of employees and we have had to bear the operational costs throughout. The discussions cannot be one-sided," Agarwal said.

However, expectations of owners that consumers would soon flock back to shops driving up sales have been belied; footfalls are few, purchases minimal. And unless the buying picks up meaningfully, retailers will need to offer more concessions.

Despite having negotiated lower rentals, Metro Brands has been forced to shut a few stores in malls and High Streets. "We saw a slight pick up in sales before Eid and Raksha Bandhan and are hoping for more of this in the festive season," Aisha Malik, VP, e-commerce and marketing, told FE. Malik pointed out the negotiations with owners were a continuous process these days.

Joe Shu has been fortunate to get a rebate on rents at DLF Promenade and as Jyoti Narula, founder, said more discounts could come through. With sales slow, Narula says keeping costs in check is critical.

Biba has struck a revenue-share deal for its stores in malls and High Streets for the rest of 2020 and is asking mall owners for a reduction in CAM fees. The apparel retailer has been fortunate to close out agreements with 85% of its landlords. Siddharth Bindra, managing director, is hoping that charges, for agreements where minimum guarantee amounts are applicable, will see a substantial reduction later in the year. "Nonetheless, it's a long journey to last year's levels. High Street stores are recovering faster than malls," Bindra said.

These numbers are at a variance with those of the mall owners. A spokesperson for Mumbai-based R City Mall, which re-commenced operations on August 5, said consumption levels are at 60% of pre-Covid levels. The company is still in discussion with its tenants for re-negotiating rents.

Pushpa Bector, ED, DLF Retail, told FE footfalls have been encouraging during the festive weekends across properties. DLF Promenade, for instance, saw footfalls of 18,000 during the Independence Day weekend.